REFERENCE LIBRARY

OF THE

WISCONSIN STATE COLLEGE
WHITEWATER, WIS.

No. 7118

Bindery MAY 8 1958
Bought..... *19*.....

Students of the Wisconsin State College are allowed to draw books for use in their rooms on the following conditions:

1. All books taken from the library should be properly charged to the student drawing them.

2. Books from the stacks may be kept two weeks.

3. Reserve books are to be used in the library during the day. They may be drawn out one hour before closing time at night.

RECIPROCITY

RECIPROCITY

BY

J. LAURENCE LAUGHLIN, PH.D.

Professor of Political Economy in the University of Chicago

AND

H. PARKER WILLIS, PH.D.

Professor of Economics and Political Science in Washington and Lee University

HF
1721
L37

NEW YORK: THE BAKER & TAYLOR CO.

33–37 EAST SEVENTEENTH STREET, UNION SQ. NORTH

Copyright, 1903
by
THE BAKER & TAYLOR CO.

Published March, 1903

New York
Kay Printing House
66–68 Centre St.

PREFACE

THE authors wish to express their appreciation of the courtesies extended to them by the officers of the Congressional Library at Washington, who have done what they could to place the resources of that collection at their disposal. Mention should be made of the help given by various members of the Treasury Bureau of Statistics, who have greatly forwarded the work of preparation through the assistance they rendered in granting the use of their statistical material, and in giving access to the library of the Bureau. Thanks are also due to many officers of the Government, who have lent or given needed documents.

In addition, the authors especially desire to express their indebtedness to W. Jett Lauck, Esq., of Washington and Lee University, whose assistance in compiling statistics, preparing and digesting materials for use, and investigating special points has been invaluable.

It goes without saying that not all the subjects of importance relating to Reciprocity could be included in a volume

of this size. There are duties on certain staples, in regard to which Reciprocity might furnish relief to a large class of consumers; but the full discussion of some of these points was necessarily omitted. It may be possible in the future to devote a second volume to the questions centering about such commodities as lumber, wool, coal and similar products.

February, 1903.

CONTENTS

CHAPTER I

The Origin and Nature of the Reciprocity Idea

PAGE

Reciprocity defined. 1
Usage of the term in connection with navigation acts. 3
Example of the German Zollverein. 5
North American Commercial Union. 9
Most favored nation theory. 12
Reaction against free trade. 16
Maximum and minimum tariffs. 20
Place of reciprocity in a scheme of tariffs. 28

CHAPTER II

Reciprocity with Canada

Causes leading to the Treaty of 1854. 30
Ratification of the Treaty. 38
Effects of the Treaty on trade with the United States. 44
Americans dissatisfied with the Treaty. 54
Causes of the abrogation of the agreement. 58
Analysis of trade with Canada. 63
Later attempts to obtain Canadian reciprocity. 65

CHAPTER III

Reciprocity with Hawaii, 1876-1900.

PAGE

Contrast of the cases of Cuba and Hawaii. 70
Early steps toward Hawaiian reciprocity. 72
First Treaty with Hawaii ratified. 76
Arguments for and against the Treaty. 77
Ownership of sugar lands. 82
Profits of Hawaiian planters. 85
Question of renewing the Treaty. 90
New Treaty of 1887. 94
The McKinley Act and annexation. 100
Annexation of Hawaii in 1900. 102
Analysis of American trade with Hawaii. 103

CHAPTER IV

Reciprocity and the Tariff Controversy in the United States, 1890-1900

Proposed revision of the tariff in 1883. 105
Act of 1883. 107
Rise of reciprocity. 109
Conscious reciprocity policy after 1880. 113
Treaty with Spain. 114
Mexican Treaty. 118
Overtures to South America. 120
President Cleveland prefers removal of duties to reciprocity. . . 127
International American Conference. 133

CHAPTER V

Reciprocity and the Sugar Situation.

Beet and cane sugar in international politics. 139
Bounty system in France. 143
Sugar policy of Germany. 151
Sugar in Austria-Hungary. 158
Bounty system of Russia. 163
Effects of the bounty system on consumers. 168

PAGE
Futile efforts to abolish the bounty system in Europe. 170
Influence of the McKinley Act. 173
Brussels Conference abolishes bounties, 1902. 174

CHAPTER VI

Reciprocity and the McKinley Act

Republican policy in favor of reciprocity. 177
Bearing of the McKinley Act on sugar. 180
Reciprocity urged by Mr. Blaine. 184
Protection and reciprocity to be combined. 187
Reciprocity provisions of McKinley bill. 194

CHAPTER VII

Operation of the McKinley Act

Right of the President to make reciprocity treaties. 207
Reciprocity with South America. 209
Treaties with European countries. 214
Analysis of trade under reciprocity with other countries. 217
Results of reciprocity disappointing. 223
Inferences as to the reciprocity of the McKinley Act. 226

CHAPTER VIII

The Abandonment of Reciprocity

Reaction against protectionism, 1892. 230
Attitude of the political parties toward reciprocity. 232
Original Wilson bill and reciprocity. 235
First provisions of the bill as to sugar. 240
Treatment of bounties by Wilson bill. 243
Protection to the "Sugar Trust". 247
Defeat of reciprocity in the Senate. 251
Debate on reciprocity in the House. 253
Debate in the Senate. 258
Foreign irritation aroused by duties on sugar. 262
Political capital and reciprocity. 266

CHAPTER IX

The Dingley Act

PAGE

Causes of Democratic defeat, 1896. 270
Justification of the Dingley Act. 272
Reciprocity a political tenet of the Republicans. 272
Sugar in the Dingley bill. 277
Three classes of reciprocity under Dingley bill. 280
Attitude of the two parties to reciprocity. 282
The debate on reciprocity in the House. 284
Reciprocity treaties made by the President subject to ratification by the Senate. 295
Negotiation of treaties under Dingley Act. 300
Treaties with France, Germany, Portugal, and Italy. 303
Analysis of Trade under the French Treaty. 307

CHAPTER X

The Kasson Treaties.

Power over reciprocity retained by the Senate. 311
Negotiations for the French Kasson treaty. 314
Interests antagonistic to the French treaty. 319
Relative concessions in this compact. 321
Provisions of other treaties. 330
Relations with Porto Rico. 333
Protectionist conception of reciprocity. 335
President McKinley's attitude toward reciprocity. 339
Export-price system works against reciprocity. 348

CHAPTER XI

The Struggle for Reciprocity with Cuba

President Roosevelt favors Cuban reciprocity. 351
History of the Cuban situation. 352
American occupation of Cuba. 356
The Platt amendment. 362
American beet sugar industry. 367
Problem as to the introduction of sugar from Cuba. 374

PAGE
Pros and cons as to Cuban reciprocity. 378
Our "plain duty to Cuba" advocated by the administration party in Congress. 382
Reassurance to protectionists. 391
Objections to Cuban reciprocity. 393
Reciprocity with Cuba a breach of faith with the American sugar producer 397
Possibility of annexation. 399
Position of the Democrats. 401
Struggle with the "Sugar Trust". 405
Message from President Roosevelt. 410
Failure of the bill, 1902. 413

CHAPTER XII

The Present and Future of Reciprocity.

President Roosevelt appeals to the country in behalf of Cuban reciprocity. 415
Cuba gaining courage; "drifting" towards other countries. . . . 418
Movement for tariff reform inside the Republican party. 419
Cuban reciprocity economically examined. 422
Is reciprocity in general desirable for the consumer? 425
Reciprocity from the standpoint of the producer. 428
Reciprocity desirable only if widely extended. 433
Not much to be expected from reciprocity. 435

CHAPTER I

THE ORIGIN AND NATURE OF THE RECIPROCITY IDEA

THE term "reciprocity" as now currently used is employed in most cases with only a vague or very general notion regarding its meaning. In current speaking and writing, it usually implies no more than the bare notion of tariff reductions made by some specified nation or country in compensation for some reductions made in favor of such a nation by a second. The actual definitions of the word now given vary widely, both in definiteness and in what they connote regarding the nature and desirableness of the policy to which they relate.

In the most general sense, the definition furnished by President Hadley may be accepted. According to him:[1] "Reciprocity is a relation between two independent powers, such that the citizens of each are guaranteed certain commercial privileges at the hands of the other." It thus appears that he makes no effort to confine the term to tariff matters, but regards it as representative of a broad aspect of commercial policy. In this view of things a mutual grant of "privileges" is the essence of the reciprocity idea.

A further attempt is made to define reciprocity when it is specified that the "privileges" to be granted must be equivalent. Thus one recent writer, basing his definition upon a study of the public papers of the Presidents of the United States, remarks:[2]

---

[1] "Reciprocity." Lalor's Cyclopædia of Political Science, Vol. III., p. 537.

[2] Messages and Papers of the Presidents, Vol. 10, p. 562. Index and Appendix. Very similar to this is the definition furnished by the Standard Dictionary. "Equality between the citizens of two countries with respect to the commercial privileges to be enjoyed by each within the domain of the other to the extent provided by treaty."

"Reciprocity is the granting by one nation of certain commercial privileges to another, whereby the citizens of both are placed upon an equal basis in certain branches of commerce."

Most of those who attempt to define the term are not content with specifying that the word reciprocity means a mutual grant of commercial privileges and that such grants must be "equivalent," but attempt to confine the word to tariff concessions purely. Thus, according to one authority, reciprocity is:[3]

"A term for an arrangement between two countries having a protective tariff against other countries, to admit each into the other's territories certain specified taxable articles of commerce duty-free, or at exceptionally light duties. The classes of articles are arranged to balance one another on one side and the other. Such mutual arrangements are sometimes called Fair Trade, as opposed to Free Trade and thoroughgoing protection."

This definition may be taken as aptly descriptive of the general notions on the subject of reciprocity. It implies nothing with regard to modifications of the relations between either of the contracting parties and any third, and offers merely a description of the act involved in the adoption of a reciprocity treaty by the two parties to it.[4]

---

[3] Chambers's Encyclopædia, Vol. VIII., p. 598.

[4] Other current definitions may be cited as follows:

"Equality of commercial privileges between the subjects of different governments in each other's ports, with respect to shipping or merchandise, to the extent established by treaty."—The Century Dictionary and Encyclopædia.

"A term in economics commonly applied in international relationships to the arrangement whereby two nations mutually agree to import to each other certain goods, either duty free, or with duties which are equivalent."—New Cabinet Cyclopædia, Vol. VII.

"Reciprocity in trade is an agreement made between two countries whereby they agree to make reciprocal or equivalent reductions in the duties on certain articles."—Bliss, Encyclopædia of Social Reform, p. 1177.

"In commercial relations, a mutual agreement between nations to secure reciprocal trade, and involving a modification of regular tariff rates."—Harper's Encyclopædia of United States History, Vol. 7, p. 383.

A curious reminiscence of the years when we sought to build up an American commercial policy is found in the following:

"A term that has recently become part of the vocabulary of American politics, and signifies such an arrangement between the United States and other countries of *America*, as will open the markets of each reciprocally to the products of the other."—International Cyclopædia, Vol. XII., p. 469.

A review of commercial history will show clearly what the term reciprocity meant when first used and will furnish the means for a better comprehension of its modern significance. It was first properly employed in connection with the "navigation system." During the eighteenth century an elaborate scheme of shipping restrictions had grown up. These restrictions sought to compel trade to travel in bottoms belonging to the nation which enacted the navigation laws. So general were the restrictions imposed by these laws that it finally became apparent that the system was proving hurtful instead of beneficial to shipping interests. The efforts made by various countries to hamper each other's trade resulted in almost as much injury to the attacking country as to its antagonist.

The first breakdown came shortly after the American Revolution when England, by the order in council of July 2, 1783, decided to put American ships upon the same footing as British so far as concerned direct trade with the mother country. This step was not taken from any humanitarian motives, but was solely due to the fear that a failure to concede the point would result in a loss of the large trade with the former colonies. By the same order in council, however, which relaxed the particular provisions of the navigation laws already referred to with regard to the United States, trade with the West Indies was confined to British ships, the design being to deprive the United States of the benefits of this traffic and to divert it to British North America. This policy led to sharp protests from the West Indies themselves and from various British interests which felt themselves to be imperiled. Nothing of any importance, however, was done until after the war of 1812. In 1815, a treaty was concluded between Great Britain and the United States by one clause of which it was agreed that the ships of neither nation should be liable to greater charges in the ports of the other than were exacted by such nation in its own ports.

The credit of making the first considerable breach i old policy is due to Huskisson. He vigorously attacked navigation policy. In 1822 acts were passed [5] which permitte the colonies of Great Britain to export their produce under much more favorable terms, and gave to foreign countries greater liberty in the carrying trade. A more important victory came in 1823 when by an act of that year [6] it was declared that any country might export goods to British colonies in its own as well as in English bottoms. The act, however, stipulated that the privileges therein granted should be met by corresponding treatment on the part of the countries enjoying its advantages. Thus was developed the policy which first became known as reciprocity. It will be observed that it consisted essentially in a relaxation of the excessive protection accorded by the navigation laws to shipping. Then, as now, any reduction of protection was met by loud outcries on the part of certain protected interests. The real circumstance which had compelled the relaxation of the protection to shipping was the fact that this excessive protection bade fair to impede the progress of all other branches of commerce, and even, through this means, to destroy the shipping industry itself. The competition in the carrying trade to which English vessel-owners were just then, for the first time, exposed was the real cause of the depression in shipping —a depression which would have become worse had it not been for the introduction of the reciprocity policy. Huskisson himself showed in his great speech in the House of Commons, May 12, 1826, that the change in the navigation laws and the reciprocity policy were the direct result of petitions from a certain section of the shipping interests and after an examination of persons engaged in the shipping trade.[7]

---

[5] 3 George IV., c. 44.
[6] 6 George IV., c. 73.
[7] "We contend that though the relaxation in the navigation laws and the passing of the reciprocity statute," said Mr. Huskisson, "were antecedent to the existing distress they are not, therefore, to be considered as its cause and that their effect has been to lessen not to add to its violence."—Speech of the Right Hon

The antagonism of the vessel-owners to reciprocity as applied to shipping was unable, however, to check the then rising tide of opinion in favor of free trade and free commerce. Navigation in British ships actually increased between 1821-1822 and 1830-1831 thirty-six per cent. The amount of goods passing from country to country in British ships employed in the foreign trade increased forty-eight per cent., British tonnage engaged in the colonial trade increased twenty-seven per cent. and foreign tonnage employed in trade with Great Britain increased sixty-nine per cent.[8] With the growth of British manufacturing came the need of closer reliance on foreign countries for raw materials. Foreigners were, for a long time, large buyers of English manufactured goods. Everything conspired to make for free trade in shipping, and freedom of navigation tended to promote the idea of greater freedom in regard to customs duties. It was to be expected that the success thus experienced in consequence of the removal of trade restrictions would have been influential in removing the prejudice in favor of a high-tariff policy. All over the world, the tendency toward free trade was growing stronger.

The organization of the German Zollverein extended the notion of reciprocal concessions in regard to ships to the

---

William Huskisson in the House of Commons, May 12, 1826, on the present state of the shipping interest.—*Edinburgh Review,* Vol. 45, pp. 446-458.

"Various * * * gentlemen intimately connected with the shipping interest were examined by the committee and it was on their evidence, and in accordance with their suggestions, that Mr. Wallace founded his bills for modifying the navigation laws * * * and for repealing the well-known regulations with respect to the importation of enumerated commodities.

"And so satisfied were the gentlemen previously referred to of the propriety and beneficial tendency of these alterations that * * * a deputation waited upon him [Mr. Wallace] and presented him an address subscribed by all the principal ship-owners and merchants of London thanking him * * * for the many and great services he had rendered to commerce and navigation and particularly for the changes he had effected in the navigation laws."—p. 447.

[8] The growth of the reciprocity policy for shipping may be traced in the treaties of the time. Reciprocity treaties had been signed between Great Britain and Portugal, and Great Britain and the United States, in 1810 and 1815 respectively. A reciprocity agreement was concluded between Great Britain and Prussia in 1824, between Great Britain and Denmark in the same year, between Great Britain and Sweden on March 18, 1826, between Great Britain and France on January 26, 1826, between Great Britain and Buenos Ayres February 2, 1825, between Great Britain and Colombia April 18, 1825.—A good review of the progress of the reciprocity idea may be found in the *Foreign Quarterly Review,* Vol. IX., 1832. London. pp. 266 *et seq.*

movement of goods between states whose interests would be helped by mutual freedom of exchange. This tariff union, which was established in 1824, had the effect of greatly increasing the trade between the German States. It led directly to inquiry on the part of foreign countries as to whether it might not be possible to inaugurate customs unions of the same sort which would have an equally favorable influence in developing foreign trade. The movement thus begun gradually developed into the free trade era which continued to 1870. Great Britain repealed the corn laws during the years succeeding 1846, and in 1860 negotiated a treaty with France which contained liberal commercial concessions on exports and imports and removed all the prohibitions theretofore resting upon the commerce of the two countries.[9] Following this treaty, some twenty-seven other arrangements were negotiated between the European states, granting commercial concessions. By reason of the fact that they incorporated the so-called "most favored nation clause," of which more will presently be said, the concessions embodied in the treaties became generally accepted among the European states and created a strong movement toward an almost absolute freedom of exchange. It needs hardly to be said that, under these conditions, the prosperity of European trade increased enormously. The commerce of Austria, Belgium, France, Holland, Italy and Great Britain grew between 1860 and 1873, more than 100 per cent., while the trade of the same countries with nations not having reciprocity treaties with them increased, according to Mr. David A. Wells, only about sixty-six per cent.

In the United States, the movement toward free trade continued to move along somewhat the same lines as those pursued by the European countries. Clay's American system, which was enacted into the tariff of 1824 and modified by the act of 1828, had hardly become thoroughly established when it began

[9] D. A. Wells, "Recent Economic Changes," New York, 1893, pp. 262 *et seq.*

to crumble. The movement toward more liberal customs legislation practically culminated in the less highly protective tariff of 1846, which was later completed in detail by that of 1857. With the Civil War a new era began.

Throughout the whole of this antebellum period, the notion of reciprocity, as a policy, received considerable attention. It was vigorously advocated in certain quarters and as vigorously opposed in others. Webster was one of the principal opponents of the system, and he even antagonized the idea of reciprocity as applied to shipping.[10]

Owing to the prevalence and growth of the free trade spirit, however, the reciprocity advocates had decidedly the upper hand. It was urged that reciprocity with the German Zollverein should somehow be introduced. Should such an arrangement be put into operation, said these advocates, it would be possible to sell American raw materials to much better advantage, as well as in larger quantities. On the other hand, reciprocity with Germany would open an opportunity for the purchase of manufactured articles cheaper than they could be had in Great Britain or France, while the nature of the German tariff was said to be such that the treaty would afford stronger guarantees of permanency than similar arrangements with either of the other countries referred to. Moreover, it was believed that a reciprocal treaty with the Zollverein should doubtless have the effect of forcing Great Britain to come to similar terms. As a result of this agitation, a treaty was actually negotiated in 1844 between the Zollverein and the United States, but like a later treaty with Mexico, was rejected by the Senate. This rejection was made on the ground that the President had exceeded his executive authority and that he had no right of his own motion to enter into such arrangements with

[10] In a speech at Baltimore, Webster made use of the following expressions: "I do, gentlemen, entertain the strongest belief that the principle of reciprocity acted upon by the government is wrong, a mistake from the beginning, and injurious to the great interests of the country. * * * In my opinion, the true principle, the philosophy of politics on the subject, is exhibited in the old navigation law of England."—*Hunt's Merchant's Magazine*, New York, 1845, Vol. XII., pp. 262-266.

foreign countries,[11] the legislature being the department of government by which revenue laws should be passed. Thus precisely the same criticism was offered upon the action of the executive in negotiating the Zollverein treaty which has been so frequently urged within the last year or two by members of the House of Representatives. They doubt the right of the treaty-making power to enter into agreements with foreign powers that may conceivably result in infringing upon the authority of the lower house to pass revenue measures.

For the sake of our foreign trade it was greatly to be regretted that the Zollverein treaty was not put into operation. By the terms of that treaty,[12] articles imported to the United States were divided into three classes, one of which was to be taxed at a rate not exceeding twenty per cent. ad valorem, while a second was dutiable at fifteen per cent., and a third at

---

[11] For a discussion of the demand for reciprocity with Germany, see *Hunt's Merchant's Magazine*, New York, 1846, Vol. XIV., article entitled "Commercial Treaties Based on Reciprocity," pp. 51-56.

[12] The details concerning the unratified treaty of 1844 with the German Zollverein may be learned from the journal of the executive proceedings of the Senate 28th Congress, first and second sessions, Vol. VI., pp. 333-336 and 406-410. Senator Rufus Choate on June 14, 1844, made a report from the Committee on Foreign Relations to which had been submitted on the first of June the proposed reciprocity treaty with the Zollverein. The concessions made to the United States by this treaty were substantially as follows: The duty on lard was reduced by $1.37 per centner of 113 pounds; the duty on leaf tobacco was reduced about one cent a pound; the duty on stems of tobacco was reduced about one and one-third cents per pound. On the other hand, we granted to Germany a reduction of duty to twenty per cent. ad valorem on the importation of "all woolen, worsted, and cotton mitts, caps, and bindings, and woolen, worsted and cotton hosiery; * * * also musical instruments, excepting piano fortes." We further reduced to 15 per cent. ad valorem the duties on all manufactured articles of flax or hemp or of which flax and hemp shall be the component part of chief value, excepting cotton bagging and substitutes therefor. The same reduction was made in the case of all manufactures of silk or substitutes containing silk as a component part of chief value; and also of "Thibet merinos and articles manufactured therefrom, plate glass, looking glasses, toys, lead pencils, lithographic stones, and wooden clocks, leather goods, cologne water, gold, silver and copper wire and bronze ware." We further reduced to ten per cent. ad valorem the duty on all thread-laces and insertings, tassels, knots, gold and silver stars, and mineral waters. Mr. Choate reported that there were two reasons for the non-ratification of this treaty. First, the executive was transcending his powers in negotiating an agreement for the regulation of duties —a power which belonged to Congress. Secondly, he considered the advantages arising to the United States from the treaty to be of small importance. The treaty was again referred to the Committee on Foreign Relations in December, 1844, in connection with the Presidential message on the subject. February 26, 1845, Mr. Archer reported in behalf of that committee that the treaty, viewed simply as a commercial measure, was a desirable step in advance, but nevertheless took the ground that it should not be ratified for the reason that the function performed by it was one which in nowise belonged to the President. It was on this ground that the treaty was defeated in the Senate. (Compare Schuyler, "American Diplomacy," New York, 1886, p. 434.)

ten per cent. Duties on wines imported from Germany were not to be raised above the level existing in 1844. In return for this concession, the Zollverein agreed to reduce the duties on American tobacco and lard and to maintain the tariff on rice at a point no higher than it then had reached. Unmanufactured cotton was to be free. A reminiscence of the earlier restrictions on shipping was found in the provision that the tariff reductions were to apply only to goods laden on vessels of one of the contracting parties, or on vessels which had by treaty been placed upon the same footing as national vessels, and in any event the goods must come directly from the ports of one party to those of the other.[13] Just how far the rejection of this treaty was actually due to the constitutional reason assigned in the Senate debates it would perhaps be difficult to say. The probability, judging from all contemporary evidence, is, however, that the reciprocity treaty with the Zollverein came too early in our free-trade movement and met the usual fate of pioneers in such fields. Its defeat was doubtless due in large measure to precisely the same causes which, during the past three years, have prevented the acceptance of any of the reciprocity treaties negotiated by Mr. Kasson, the Special Commissioner appointed by our government not long ago to negotiate for commercial advantages. Then, as now, the constitutional argument was a plausible and soothing apology for a refusal largely dictated by the wishes of interests which feared to find their profits reduced by foreign competition.

Reciprocity agitation very shortly assumed a new form. The idea came into existence that there might be developed on this side of the ocean a commercial union which should include the whole North American continent. In order successfully to work out such a union, it was necessary to make suitable reciprocity arrangements with Canada on the North and with

[13] Schuyler, "American Diplomacy," New York, 1886, pp. 433 *et seq.*

Mexico on the South. Thus there would be developed a commercial system somewhat analogous to that which had been produced in Germany by the establishment of the Zollverein. Instead of continuing the effort to get into commercial relations with the European customs union, we should have a customs union of our own. The first negotiations looking to this end were naturally directed toward Canada. From 1846 on, the idea was actively discussed on both sides of the border and finally culminated in the Canadian reciprocity treaty of 1854. This agreement managed to prolong an existence of about twelve years, when it was finally overwhelmed by the rising tide of protectionism and the commercial jealousies and political hostilities of the time. Its history will be reviewed in a subsequent chapter.

Having established satisfactory relations with Canada, it remained only to unite ourselves with Mexico on the same principles, in order to realize the idea of a customs union comprising the North American continent.

Our experience with the Zollverein treaty was repeated in connection with negotiations with Mexico late in 1859. It will be convenient to anticipate the historical course of events and refer briefly to the Mexican experience at this point. The Mexican treaty was negotiated by Mr. McLane, then Minister to Mexico. It was designed to promote friendly relations with that country, and in a measure soothe the bad feeling which still existed as a consequence of war with the United States, by opening up a profitable field of trade. The treaty in the form in which it was submitted to Congress contained a list of articles from which that body was to be allowed "to select those which being the natural industry or manufactured product of either of the two republics may be admitted for sale or consumption in either of the two countries under conditions of perfect reciprocity whether they be considered free of duty or at a rate of duty to be fixed by the Congress of the United States, it being the intention of the Mexican

Republic to admit the articles in question at the lowest rate of duty, and even free, if the Congress of the United States consents thereto." [14] Doubtless under ordinary conditions this treaty, notwithstanding its extremely liberal character, would have been ratified, for the free trade spirit exemplified in the tariff act of 1857 had then gained so much headway in the United States that it would probably have been able to carry the day. The threatening political situation and the fact that the Democrats naturally supported the idea of freer trade with Mexico tended, however, to divide the Senate on partisan lines and the proposal was defeated by a strict Republican vote.

In order to understand the subsequent development of our tariff policy, it will now be necessary to deal briefly with one aspect of the reciprocity system viewed from the standpoint

---

[14] For discussion of this treaty see Schuyler, "American Diplomacy," New York, 1886, p. 439. The details concerning the reciprocity treaty with Mexico may be found in the Journal of the Executive Proceedings of the Senate, Vol. XI., 1858-1861, pp. 192-199. This treaty was negotiated by Mr. McLane, Minister to Mexico, December 14, 1859. The introduction of these goods was to take place at points agreed upon by the two governments and conceded and granted in perpetuity either across the Isthmus of Tehuantepec or from the Gulf of California to the interior frontiers. It was further provided that "if any similar privileges should be granted by Mexico to other nations at the termini of the aforesaid transits upon the Gulfs of Mexico and California and upon the Pacific Ocean, it shall be in consideration of the same conditions and stipulations of reciprocity which are imposed upon the United States by the terms of this convention." This provision, it will be seen, constituted a practical interpretation of the most favored nation clause. The list of articles from which selections might be made, as above described, included animals of all kinds, rice, poultry, fresh eggs, quicksilver, stone—coal, fresh, salted and smoked meats, raw hides, hams, red pepper, drawings and models of large machinery, of buildings, of monuments and of boats, boats of all sizes and classes for navigation on the rivers of the frontier, brooms and materials of their manufacture, bridle bits, fresh, dried and sugared fruits, type, plates for printing, etc., all kinds of machinery, dyewood, fish, tar, turpentine, ashes, plants, trees, shrubbery, slates for roofing, common salt, riding saddles, palm leaf hats. gypsum, vegetables, undressed sheepskins, grains of all kinds, flour, wool, lard, tallow, leather and manufactures of leather, every species of textile or woven fabric of cotton except that called brown sheeting. This proposed treaty after being modified was rejected by the Senate May 31, 1860, by a vote of 18 to 27, only two Republicans voting in favor of it. Upon motion to reconsider, it came up again on June 27, but went over to the next session and was never ratified. One cause of rejection was probably the fact that the acute stage reached by the slavery question led men to view anything attempted by President Buchanan with suspicion. A further cause of hesitation was the belief that our Minister, Mr. McLane, had been instructed to give an indefinite promise of support to President Juarez, who was then besieged in Vera Cruz, in return for which the Mexican President was to be induced to sell to the United States certain Mexican provinces. Although these instructions, if given, were withdrawn, the supposed attempt to secure more Southern territory cast a shadow over the reciprocity idea and naturally aroused hostility to this particular treaty on the part of the Republican or anti-slavery party.

of international law. We have seen that, as the European countries gradually developed the reciprocity idea, they did so in accordance with the diplomatic principle known as the "most favored nation" theory.[15] This principle was worked out along two radically different lines in Europe and in the United States respectively. That divergence led to an attitude on the part of European countries toward our later reciprocity agreements, different from the one which was adopted by the United States, and has given rise to some friction. This has worked in certain minds against further extension of reciprocity agreements. Inasmuch as the two different conceptions of the most favored nation clause became thoroughly established during the first half century of our national life—the period during which, as we have seen, the reciprocity and free trade ideas originally developed—it seems convenient to deal with the divergent interpretations of the most favored nation clause at this particular point.

Early commercial treaties were negotiated by European nations in strict accordance with the idea that every concession granted by one country to any other should be given only in exchange for similar concessions in return. In other words, the negotiation of commercial treaties was a sort of bargaining process in which either nation might be overreached by its antagonist. The object to be kept in mind by either party was the negotiation of an agreement as favorable to it as circumstances, and the relative acuteness of the other, would allow. It is evident that, supposing two nations, A and B, to have negotiated a commercial treaty granting certain privileges by mutual agreement, B might be at a considerable advantage with respect to a third nation, C, in competing for the trade of A. If subsequently, therefore, an agreement should be entered into between A and C, whereby more elaborate concessions were allowed C than those which had been gained by B, it

[15] See page 4 *ante.*

might turn out that B would not merely be outstripped by C in the competition, but might even be worse off than would have been the case had no treaty been originally negotiated with A. It was this situation which led to the development of the most favored nation clause. Under it, States sought to obtain guarantees that, in case future commercial concessions should be offered to their competitors, they themselves would, *ipso facto,* come in for the enjoyment of the same concessions. Thus, if the two nations, A and B, had entered into a commercial arrangement, into which the most favored nation stipulation had been incorporated, any subsequent treaty entered into by A and C, in which larger concessions were granted, C would, by the nature of the case, extend those concessions also to B. Now, it is clear that the interpretation to be placed upon the clause might be such as to extend those concessions to B, only in case B should pay for them by the same return concessions granted by C, or should simply be permitted to enjoy them without any further payment than that already arranged for in the original A and B treaty.

Writers on international law distinguish several different forms of the "most favored nation clause." They enumerate more particularly the so-called "simply reciprocal form" and the so-called "imperative and unconditional form." In the first, "where reciprocity is the foundation of every clause in the treaty dealing with a subject of commerce and navigation, the inference points to reciprocity as the foundation for the general covering clause which is to supply omissions and prevent future unfavorable discrimination." [16] Under the other interpretation, the commercial favors are granted to all countries under the most favored nation clause "immediately and without condition;" in other words, without compensating privileges offered in return. It is easy to see how nations like Great Britain, which have adopted free trade as their policy

[16] Herod, "Favored Nation Treatment," New York, 1901, p. 9.

and which have, as a matter of fact, nothing to offer in return for a reduction of duties, would be likely to insist strenuously upon this second interpretation.

The "simply reciprocal form" of the most favored nation clause is, of course, the one to which the United States has consistently held. It has, from the beginning, adhered rigidly to the view that trade concessions offered by it to some other country need not become common to a third country with which we had treaty relations involving the most favored nation clause, unless that third nation should meet us on our own ground by granting the same favors that we secured at the hands of the other nations with which we had entered into treaty relations. In the treaty negotiated between the United States and France, February 6, 1778, the following words occur:

"The most Christian King and the United States engage mutually not to grant any particular favor to other nations in respect of commerce and navigation which shall not immediately become common to the other party, *who shall enjoy the same favor freely, if the concession was freely made or on allowing the same compensation if the concession was conditional.*" [17]

In Art. IX. of the treaty with Prussia, in 1828, and in Art. IX. of the treaty with Austria, in 1829, occur the words:

"If either party shall hereafter grant to any other nation any particular favor in navigation or commerce, it shall immediately become common to the other party, freely, where it is freely granted to such other nations, or on yielding the same compensation, when the grant is conditional." [18]

On the other hand, European diplomacy has developed the interpretation of the most favored nation clause along a different line, following out the second of the two interpretations already referred to. As things now stand, most European countries admit that nations which have granted to other nations the benefits of the most favored nation clause have guaranteed to

[17] Treaties and Conventions concluded between the United States of America and other powers since July 4, 1776. Washington, Treaty with France, February 6, 1778, Art. II., p. 245.

[18] *Ibid.*, Art. IX. of treaty with Prussia, 1828, p. 726; and Art. IX. of treaty with Austria, 1829, p. 33.

them that their commercial relations shall not be less favorable with it than shall those of any other country. In other words, new and more extensive trade concessions granted by country A to C, a third nation, are, *ipso facto,* extended to B, a second nation, with which it has originally entered into commercial relations, while B obtains these advantages without compensation even though they may have been paid for very heavily by C. This, of course, is a marked reversal of the original interpretation given to the "most favored nation clause," during the eighteenth and the first half of the nineteenth century. It is a most important point to bear in mind, in studying the development of reciprocity as a policy, for it will readily be seen that the adoption of the European interpretation of the most favored nation clause implies either the giving up of all commercial treaties, or else the conscious recognition of tariff reduction as a system to be regularly applied whenever granted in an individual case. Reciprocity, when limited to isolated instances, becomes nothing more than a matter of international bargaining, which may or may not be undertaken according as the circumstances of the particular case seem to indicate.

It is apparent that the United States in maintaining its own interpretation of this clause, reserving the right to grant tariff concessions only in return for certain other concessions, and the right to decide whether concessions offered by other countries are equivalent to those obtained from any particular country, occupies a vantage ground as compared with a group of nations adhering to a different interpretation and granting to us the advantages of the clause which we, however, deny to them. All of this has led to exceedingly unfavorable comment on the part of European countries which regard our attitude on the subject of the most favored nation clause as characteristically selfish. [19]

[19] This subject has been discussed at considerable length and very unfavorably to the United States by Calwer in "Die Meistbegünstigung der Vereinigten Staaten."

With the repeal of the English corn laws about 1846 came a period of considerably greater relaxation in trade regulations. The more liberal spirit which thus was beginning to find its way into European legislation continued to grow until about 1860, when it broadened into a general European movement toward a much freer tariff policy. In that year, a treaty negotiated between Great Britain and France contained liberal concessions on goods exported by the contracting countries, and removed all of the prohibitions previously laid on certain kinds of traffic passing between them. On the basis of the principles accepted in this treaty, there grew up an elaborate system of agreements between the several European states. These agreements granted commercial concessions which, by reason of the fact that they were subject to the "most favored nation clause," became generally applicable to European commerce and led to a condition bordering upon freedom of trade.[20]

Commercial development under these treaties was unexpectedly favorable. The trade of Austria, Belgium, France, Holland, Italy and Great Britain increased more than one hundred per cent. from 1860 to 1873, while the trade of the same countries with nations which had not entered into reciprocity treaties with them increased only sixty per cent. In this way, a policy which was at least analogous to reciprocity gained ground and seemed to meet with unexpected success. It undoubtedly gave general satisfaction within the countries which were affected by it. Yet it was not long before a distinctly new tendency became apparent. In the years immediately following the crisis of 1873, there began a definite and very general reaction from free trade. This reaction came on insidiously. In part, the higher tariff policy, which was then initiated, was due to the Franco-Prussian war, which produced increased expenditures and heavier indebtedness in con-

[20] Wells, "Recent Economic Changes," New York, 1893, p. 263.

sequence of the necessity of maintaining heavy armaments. Thus, increased taxation was required. Moreover, it is maintained by some that the new modes of production which were then gaining the ascendency led to maladjustment, and brought about a struggle to dispose of certain kinds of goods which were being freely manufactured by all countries, and which, it was supposed, were in danger of overproduction. In consequence of this movement, came a demand for protection, in order that the producing interests of the several countries might be safeguarded in the control of their own markets. Thus there gradually grew up a systematic attempt to encourage domestic manufactures by the levy of protective duties. At the same time, side by side with the protective movement thus sketched, there was noted a tendency to develop certain kinds of industry by the payment of bounties on articles of domestic production or by subsidizing vessels built for foreign commerce. These tendencies were not exclusively confined to Germany and France, although, of course, the effects of the Franco-Prussian war were felt with the greatest intensity in those two countries. The reaction from free trade spread throughout the whole of Europe, and by 1880 was in full swing. Some of the smaller states merely imitated the example of the more powerful. Others attempted a system of retaliatory legislation, thinking to break down the duties of their antagonists, while others fell into the belief that their producing interests would be best served by protection irrespective of the policy of other countries.

In 1879, Germany adopted an elaborate new tariff, modeled upon the idea that she had certain paramount economic interests which must be cultivated. These interests were supposed to center about the production of grain, on the one hand, and about sundry extensive manufacturing industries on the other. The tariff adopted under these circumstances was not a system of high duties universally applied to all imported goods without exception. It aimed only to further the particular interests in

question by the imposition of duties upon products likely to compete with them. At the same time, a strong effort was made to prevent other countries from retaliating by the imposition of discriminating duties upon German exports. The various political disturbances which occurred subsequent to 1880 furnished opportunity for Germany, by throwing her political influence into the scales, to overbalance the economic interests of sundry smaller countries, and to get low rates of duty without promising to admit the products of those countries on similar terms. So, also, in Austria, the tariff revision act of 1879 was a step in the direction of protection, although the legislation was still moderate. The tariff acts of 1882 and 1887 carried Austria still further in the direction of higher duties. Italy had much the same experience. Starting with fairly liberal legislation in 1878, the schedule of duties adopted in 1883 and subsequently modified in 1887, swung to the farther extreme of protection, in many instances going almost so far as to prohibit trade. In Spain a protectionist party succeeded in adopting high duties as early as 1877, and various other European countries of the second class followed suit. By 1890 most of them had come within the protective boundary. In France a similar reaction was in progress. Duties were materially raised at various times during the later seventies. In 1881 came a vigorous effort to secure the adoption of a maximum and minimum tariff system. Russia, while introducing fewer changes into her protective system than had been made by the other countries, enforced a fairly high schedule against the rest of Europe down to 1893, with few, if any, discriminations. England alone, among the important European countries, maintained her determined free trade attitude, and was imitated only by Norway and Holland among the states of secondary importance.

The system thus inaugurated in the seventies, and carried out during the eighties, very early produced distinct results. Assisted by the bounties and subsidies granted to favored in-

terests, the high tariffs already considered led to serious complications, and tended to promote the existence of overgrown industries, which were supported only by heavy taxation of the consumer, and which resulted practically in supplying goods to the foreigner at absurdly low rates. Of this kind of development the sugar industry furnishes a classical example, but it was not the only industry which suffered from the unhealthy stimulus given to it by the duties and bounties which were supposed to favor it. The several states began to feel keenly the need of some policy which would enable them to buy off other countries from the enforcement of retaliatory duties against them. Hence, arose a system of commercial treaties, by which it was undertaken to make bargains designed to relieve the strain of retaliatory duties imposed in return for the heavy taxation with which the products of the different nations had been burdened. By the opening of the last decade of the century, the industrial system of Europe had become a tangle of overlapping and interwoven commercial agreements.

It was necessary to find some way of relieving the confusion into which commercial conditions were rapidly falling. The decade 1890-1900 is characterized predominantly by efforts of this kind. It was necessary for each country to reckon with:

(1.) The interests of the overgrown industries which had been stimulated by the protection previously granted.

(2.) The interest of the general producing classes of each country, which were likely to find themselves cut off from foreign markets, should foreigners be stung into retaliatory measures.

(3.) The most favored nation clause, which had become a fundamental maxim in European diplomacy, developing along the lines already traced in the earlier portion of this chapter.

These conditions were met in various ways. Yet analysis shows that the tariff systems adopted after 1890 may be classi-

fied for the most part under two heads, the so-called "general or conventional" tariffs, and the "maximum and minimum" systems.

The characteristics of a maximum and minimum tariff system are found in the fact that instead of having two rates for a few articles, it has two rates on most articles on which duties are imposed at all. For this reason, it is frequently called the double tariff system. "In the application of these rates, the maximum schedule corresponds to the general schedule, and the minimum schedule to the conventional schedule of the * * * [conventional tariff system], since the minimum rates are given only to those countries which receive the most favored nation treatment. The characteristic difference between the two systems, however, arises from the difference in their origin. The minimum schedule is not drawn up by negotiations between the executives of two countries, but is framed by the legislative body at the same time that the maximum schedule is made. That is, the legislative power fixes two rates of duty on each article in the tariff. The higher rate is the one which fixes the maximum extent to which those articles may be taxed on entering the country; the lower or minimum rate is the one which fixes the minimum extent to which the duty may be lowered. If it is desired to make commercial treaties at any time, these two rates show the exact limits between which the treaty rates are to be fixed." [21]

At the present time, the maximum and minimum system has been most generally adopted in Europe. It is employed by France, Russia, Spain and Norway, as well as by Greece. In South America it has been adopted by Brazil. France adopted the plan in 1892, and Spain gave in its adherence at about the same time. Russia followed the French example in 1893 and the other countries came into line somewhat later. Of the countries which now employ the maximum and mini-

[21] "Modern Tariff Systems," Treasury Bureau of Statistics. From "Summary of Commerce and Finance," Feb., 1902, p. 3096.

mum system France is perhaps the most prominent. It was sought to secure the introduction of the system in that country from 1870 to 1881, but all efforts in this direction failed. Not until after 1890 did the protectionist spirit in France become strong enough to furnish adequate support to the effort to secure the introduction of the maximum and minimum system. There had been intense dissatisfaction with the commercial treaties which had preceded the introduction of the maximum and minimum tariff, and the bill prepared by M. Méline, which was adopted in January, 1892, was intended to take the place of tariffs already in existence. The end apparently in view was to limit the executive authority by preventing it from cutting below certain rates, which might not be reduced in any attempt to get into closer relations with other countries. In other words, it was sought to fix a general level of duty below which home industries could count upon receiving absolute protection without any interference from troublesome commercial agreements that might be entered into by the administration. In M. Méline's bill, by making a large difference between the rates of the maximum and those of the minimum schedule, it was also attempted to induce foreign countries to buy French trade concessions. Thus, if foreign countries should not choose to enter into amicable commercial relations, enabling them to get the advantage of the minimum rates, the result would be that they would suffer a very heavy disadvantage with reference to their competitors in French markets. M. Méline's object seems also to have been to make the schedules of the maximum and minimum tariff as inclusive as possible, because by that means it might be practicable to compel other countries to grant low duties in return for the minimum rates if they wished to trade with France at all.

At the present time there is a difference of about twenty-five per cent. between the French maximum and minimum rates. The maximum rates, for instance, would be one hundred and twenty-five when the minimum rates are one hundred

with reference to the value of the commodity on which they are levied. In the tariff bill of 1892 it was ordered that the minimum rates should be granted to all countries which, before that date, "had enjoyed the conventional tariff and which after that date had given French commodities the most favored nation treatment." "Portugal was subjected to the complete maximum tariff and the United States to a part of it."

The general idea upon which the maximum and minimum tariff system seems to have been adopted by France was, that the system of commercial treaties containing special provisions is now practically dead, and that it would not be wise for any country, therefore, to continue the use of them. It had been found that the making of the treaties on special terms with foreign countries almost inevitably resulted in irritating discussion as to tariff rates at short intervals, and as a consequence led to continual disturbance in the tariff system. It was supposed that by fixing the minimum rates which could be granted to foreign countries, and then authorizing the executive to arrange matters as he might see fit, subject to these limitations, the most favored nation difficulty would be avoided, and it would be possible to enter into agreements with foreign countries whereby concessions would be gained for French goods. All foreign countries would thus be placed on equal terms, and at the same time the fears of the domestic producer would be relieved, since he would now enjoy protection through the assurance of, at all events, the minimum tariff rates.

On the other hand, the so-called general and conventional tariff system is based upon the origin of the goods imported from different countries, and distinguishes between goods according to the source from which they are imported. Inasmuch as it is nearly impossible under European conditions to adopt a general tariff and maintain this tariff without change, it practically results that there must be an understanding between the countries which have commercial relations with each other.

Supposing that a treaty has been made by the terms of which some general tariff concession, or reduction, has been made, this implies an alteration in the existing tariff rates. Should such rates be substituted for the duties comprised in the general tariff, there is no change in the system. As a rule, however, the granting of the new rate to any country implies the establishment of a new schedule for practically all goods. The original or general tariff is then applied to those countries which have entered into no special commercial arrangement, while the new schedule is applied to those which have received the most favored nation treatment. In the latter case, a special or "conventional" tariff is established. It thus appears that two distinct schedules of duties have been created by such a tariff system. To the countries which receive the most favored nation treatment, there is practically guaranteed a certain lower schedule of duties, which the country granting them is under obligations never to raise during the life of the commercial treaties between it and its fellow powers. The general tariff duties being thus matters in which the most favored countries have no direct interest, may be raised at will by the country which has established them, since such action on its part is of no consequence to its treaty associates either one way or the other. As for the countries which do not receive the most favored nation treatment, they have no ground of complaint concerning the raising or lowering of the tariff, since they have entered into no treaty agreements whatever.

It will be seen that a tariff of the kind already described rose up under the influence of the interpretation of the most favored nation clause, already sketched, in a natural way. That is to say, a tariff is first established; then a commercial treaty is entered into with some foreign country by the terms of which duties are lowered in exchange for concessions on the other side; then these lowered duties are, of course, automatically extended to any country which may receive the most favored nation treatment. Supposing there are no countries

already entitled to this treatment, it happens that in case of any future treaties the agreement, made on the basis of the most favored nation clause, automatically proceeds upon the lines laid down in the first commercial treaty as already described, since that treaty is evidently one which extends the most favorable treatment to foreign countries. In case it is found desirable in the later treaties to add articles to the list on which concessions are made, as previously established, in the first treaty, it is easy to see that by the most favored nation principle once more, the country having entered into the original treaty also gets the advantage of the gains later made by other countries. In consequence of these conditions it naturally results from the adoption of a considerable number of treaties that a lengthy, if not all-inclusive schedule of duties, is made up, applicable to all nations which enjoy this particular kind of treatment. The main feature of the system is that the schedule of duties has been produced as a result of negotiations, made first with one country and then with another. The duties are adjusted to the particular needs of the several countries entering into these treaties, but are finally amalgamated together into a lengthy schedule which can be taken advantage of by practically all of them.

Under these circumstances, it is clear that the original tariff charged by the general schedule becomes nothing more than a ground for argument. In order to obtain a vantage-point from which to make concessions it customarily happens that the rates of the general tariff are fixed abnormally high in order to afford a basis of concession. At the present time, the tariff system thus set forth is in vogue in Germany, Austria, Switzerland and Italy. Germany has now entered into commercial treaties with foreign countries, carrying out the system just described and numbering no less than twenty-eight in the most favored nation class. She has also eight special tariff treaties in which tariff agreements are particularly made. Thus the most favored nation clause is the key to her commercial policy,

since through its agency in the twenty-eight treaties aready referred to, the conventional tariff duties have been applied to imports from this long list of countries.

According to a recent summary, the commercial treaties now in existence between Germany and other states may be divided into four classes as follows:[22]

1. Treaties with tariff agreements and with clauses providing for the most favored nation treatment. These treat in a detailed manner of the important features of the commercial relations of the two States, insure to the merchants and their goods the treatment accorded the most favored nation; they also contain clauses fixing (or "binding," as the European writers term it) the rates of the tariff in their own general schedules, diminishing those rates or guaranteeing that they shall not be changed. These treaties are usually termed "tariff treaties," as the tariff agreements are the principal feature of the treaty, and the most favored nation clause is regarded as a matter of course. These treaties are usually made between countries which have a highly developed commerce with each other, and which desire to stimulate this intercourse. To this class of treaties belong those which Germany has made with Austria, Russia, Belgium, Switzerland, Italy, etc.

2. Treaties with tariff agreements, but without a clause providing for the most favored nation treatment. This variety of treaty is usually preferred by countries which do not admit the principle of unconditional most favored nation treatment. Tariff conventions, however, are considered as a higher mark of international comity than the simple guaranty of most favored nation treatment, and hence the former usually includes the latter. For this reason the treaties which the United States has made with France and Italy contain certain tariff agreements, but do not contain the European (unconditional) most favored nation clause.

3. Treaties without tariff agreements, but with a most favored nation clause. These treaties are usually composed of a few general provisions in which the contracting parties assure to each other the treatment accorded to the most favored nation. They are usually called "most favored nation treaties," because this clause represents the entire value of the treaty. Since 1860 this class of commercial treaties has been by far the most numerous of the treaties made in Europe. They are made in cases where the commercial intercourse

[22] "Modern Tariff Systems," Treasury Bureau of Statistics, *ante cit.*, p. 3107.

between two countries is not extensive enough to make tariff agreements profitable or where such agreements cannot be reached for other reasons. On January 1, 1901, Germany had only eight tariff treaties, while she had twenty-eight most favored nation treaties.

4. Treaties with neither tariff agreements nor the most favored nation clause. Such treaties contain general regulations concerning the commerce between the two States, and are made only with such countries as are partially open to European commerce. Germany, for instance, has made such treaties with China, Korea, Siam, and the Kongo Free State.

In England, of course, a different idea has been in control. The events of the past few years have had no inconsiderable effect in weakening the adherence to free trade principles which has been so characteristic of that country throughout the latter half of the nineteenth century. The utter isolation of England in consequence of the rising tide of protectionism on the Continent as well as in the Western Hemisphere, the increasing competition in foreign markets, and the decreasing superiority of English-made goods have together led to a certain revival of the belief that tariff duties may be used as a threat wherewith to force other countries into acting in a way that would throw their markets more widely open to English goods. The agitation for "fair trade" as against "free trade" has attained some strength. It has been demanded by some that tariff duties should be imposed upon goods coming from all those countries which decline to make equal concessions to the goods of Great Britain, and that free trade privileges should be offered only to those countries which accord the same treatment to British goods. In other words, what we call reciprocity has in England taken shape in the notion of "fair trade," by which is meant the policy of doing to other nations what they are actually doing to the home country—taxing their products as highly as they tax English goods and no more. No special basis of application to certain particular commodities is in this conception given to reciprocity. The high or low rates of duty, as the case may be, are to be charged and paid upon all

goods which are subject to such high and low rates abroad. Reciprocity here becomes largely a notion of retaliation. The tariff system to be adopted by England, as outlined by the "fair-trade" advocates, is made to depend upon the conglomerate tariff system adopted by the great variety of countries with which it may happen to be trading.

As is well known, the United States did not pass through the extended free trade period which was enjoyed by the countries of Europe. The Civil War blighted the free trade movement here by the necessity for higher duties, just as the Franco-Prussian War later blighted it in Germany and France by exigencies of a similar kind. We continued our high tariff policy, failing to reduce the duties of the war as had been promised at the time of their passage, and we only aggravated the older schedules by the tariff of 1883. With the passage of the McKinley act in 1890, we continued the later protective régime which has lasted, with but a short interval, until the present time.

Yet, even the United States felt the pressure of the protective principle in the same way, although not to the same extent, as the European countries. The absence of subsidies and bounties from our commercial legislation prevented the protective system from developing to the full extent which characterized it in Europe, while our economic position was not such as to force us to depend upon others to the same extent as many of the European countries. As the protective system attained greater and greater strength abroad, American producers felt themselves subject to restrictions of increasing severity. The heavy duties imposed on our goods when entering European countries seemed to make it increasingly difficult for us to extend our markets. In South America we keenly felt the competition of Europeans, partly on account of their cheaper processes of production and partly because of the assistance granted European merchants by commercial legislation which enabled them to sell some of their goods more cheaply

abroad than they did at home. We had already tried reciprocity with Canada, and later what passed for reciprocity with Hawaii, but we had never given any extended scope to the doctrine. Not until we began to feel the pressure of competition and to recognize that our merchants, too, might be able to enter successfully into international competition, should circumstances be made favorable, did reciprocity as a self-conscious system gain a considerable support. From 1884 onward it definitely increased as a popular movement, paralleling the growth of the system of commercial treaties, whose development among the European countries has already been outlined. Like them, it was an effort to get away from protection, so far as that policy necessitated loss of markets, and discrimination in duties.

It is now possible to see what is the true place to be assigned to a reciprocity policy in the general scheme of tariff relations between the countries of the world. As compared with France, which has its maximum and minimum tariff system; with Germany, which has its general and conventional schedules; with Great Britain, which has practically no tariff at all, the United States appears as a country possessing a general tariff, nominally offering to modify this tariff by special commercial agreements made according to the current demands of expediency, and holding out various sorts of advantage, first to one country and then to another. It is true that the provisions of the two tariff acts framed by Messrs. McKinley and Dingley laid down a basis for reciprocity in certain instances which should be uniform in its application to foreign countries. The tropical reciprocity of the Dingley act, like that provided for in its predecessor, was established upon uniform and recognized bases. But the Dingley act also, as will be seen, provided for the making of agreements with foreign countries which were to be shaped in accordance with the wishes of those who negotiated the treaties. It was scarcely to be expected that any uniformity could result from treaties subject to the necessities and to the demands of expediency which would apply

in this work. One who examines the reciprocity treaties now pending before the Senate will readily understand how it has resulted that the reciprocity of to-day is no more than a jumble of tariff concessions, dictated upon no logical principles and subject only to the requirements of the negotiator. We appear before the world in the light of one who seeks to drive as good bargains as possible with his fellows, but who strips these bargains even of any semblance of equity they might otherwise have by concluding other bargains at a later date which destroy, or at all events may destroy, the advantage accruing from earlier ones. We are neither willing to present our reciprocity agreements to the world at large upon equal terms, as does France by its maximum and minimum system, nor do we stand ready to extend to all the benefits gained by any one country which enters into a process of bargaining with us, as is done by Germany. We offer no tariff concessions, save to those countries which we believe may be induced to grant us concessions that are more than equivalent; and even under these circumstances we offer them under a constant reservation of the power to practically neutralize the benefits of the agreement by subsequent action if we see fit to do so. Under these circumstances, it is not surprising that the reciprocity policy has thus far made but slender progress. The extension of the idea has been checked and hampered. The development of the freer trade which might have been attained has been nullified by the narrow construction we have put upon tariff concessions made under the guise of reciprocity, and by the unwillingness to lend reality to that policy by making it apply to articles of some degree of importance. From this brief survey of the growth and development of the reciprocity idea, as a feature of the world's tariff policy, we may turn to a detailed study of our efforts to put it into effect.

CHAPTER II

RECIPROCITY WITH CANADA

Our first real experiment with reciprocity is found in the Canadian treaty of 1854. The history of this experiment is of particular interest, not merely because it was our first reciprocity agreement, but because it epitomizes many of the difficulties afterward experienced in the effort to extend that policy to other countries. It was undertaken at a time when the omens were apparently favorable to the development of a reciprocity system; and, had it not been for causes of an unusual and peculiar character, it might have been expected that the attempt to secure freer trade would have been more successful, and that Canada and the United States would have been drawn into a closer intimacy instead of being driven farther apart.

To unravel all the tangled threads of Canadian history which led to the adoption of the reciprocity treaty of 1854 would be a difficult process; yet a concise account of the main causes leading to that agreement is necessary to an understanding of its later history. Subsequent to 1840, a change in English policy with reference to Canada took place. Canadian producers were well aware of the more rapid commercial development and greater prosperity enjoyed by the United States, and they were not slow to attribute their relative lack of success to the unjust tariff policy pursued by England. This feeling of discontent naturally stimulated the desire on the part of some individuals in Canada for annexation—a notion very pleasing to a considerable section of the American people at a time when our thirst for larger territory had been intensified

by contemporary events, as well as by the war feeling then prevalent. With a view to placating Canadian discontent, England decided to adopt a somewhat more liberal attitude toward Canada. The Canadian demand for commercial autonomy had been stimulated by the movement which had resulted, in 1846, in finally repealing the bulk of the English corn laws—a repeal which was followed by that of the navigation acts in 1849. These impulses to liberality took further shape in the act authorizing Canada to fix her own tariff duties. Working on the basis of that authority, the Canadian Parliament, in 1847, admitted the products of the United States on terms of equality with those of Great Britain, removing the differential tariff duties which had previously existed.[1] This action came at a critical time. A rebellion was threatening in Upper and Lower Canada, and the public opinion in favor of annexation was gaining ground with remarkable rapidity. The concessions made by England, and the greater freedom of trade with the United States, inaugurated under the act of 1847, did not altogether allay the discontent. Lord Elgin, then Governor General of Canada, and always an acute observer, as his later work in India clearly showed, wrote as follows in a private letter to Lord Grey, in March, 1849:[2]

"There has been a vast deal of talk about annexation, as is unfortunately always the case here when there is anything to agitate the public mind. * * * Undoubtedly it is in some quarters the utterance of very serious conviction, and if England will not make the sacrifices which are absolutely necessary to put the colonists here in as good a position commercially as the citizens of the States, in order to which free navigation and reciprocal trade with the States are indispensable, * * * the end may be nearer than we wot of."

Again, in November, 1849, Lord Elgin wrote:

"But if things remain on their present footing * * * there is nothing before us but violent agitation ending in convulsion or annexation * * * and I much fear that no measure but the establish-

[1] "The Reciprocity Treaty with Canada of 1854," by Frederick E. Haynes. Publications of the American Economic Association, Vol. VII., No. 6, p. 9.
[2] "Letters and Journals of Lord Elgin," edited by T. Watrous, pp. 100-104.

ment of reciprocal trade between Canada and the States, or the imposition of a duty on the produce of the States when imported into England, will remove it."

From these significant warnings the real source of the discontent in the minds of Canadian business men is easily understood. They saw themselves distanced by the United States because of the illiberal tariff policy of the mother country, and they recognized but two means to overcome their handicap—either that they should be put in as favorable a position, commercially, as the United States, or that the latter country should somehow be subjected to the same disadvantages as themselves. One way of attaining the former of these objects was the negotiation of a reciprocity treaty.

It would have been a step backward for England to pursue a policy of tariff discrimination or retaliation against the United States. No reasonable man could have preferred such a commercial warfare to the attainment of trade advantages. England was just beginning to feel the beneficial effects of freer trade with the United States, and the growing sentiment of the times toward more equitable and liberal treatment for foreign countries would hardly have countenanced the imposition of retaliatory duties upon our products. The recourse evidently preferred by Lord Elgin was the adoption of a policy which would secure equal commercial advantages to Canada and the United States. But in the attainment of this end several sets of conditions had to be taken into account. It was necessary to consider the system of tariff duties then prevailing, the conditions of transportation to the seaboard from interior points, and the respective rights of our citizens and of Canadians in the fisheries. Of these three problems, the most striking was the adjustment of tariff duties upon an equitable basis.

On May 12, 1846, the first formal step in the agitation for reciprocity was taken by the Canadian Parliament. That body adopted an address to the Queen asking that negotiations,

designed to secure the reciprocal admission of Canadian and United States products upon equal terms, should be opened. On the third of June, a favorable reply was received from the British Government. The subject was placed before our Secretary of the Treasury, Robert J. Walker, by Mr. Pakenham, then British Minister to the United States, in December, 1846.[3]

Mr. Walker was essentially a liberal-minded man in matters of tariff policy. Moreover, reciprocity with Canada had already been the subject of considerable discussion. Our more moderate tariff, which had then recently been inaugurated, naturally inclined us toward concessions of this kind, and a favorable reply to the suggestions of the Canadian Government was returned through Mr. Pakenham. In discussing the subject, it at once developed that there were two distinct ways of reaching the desired concessions. The tariff modifications might be made either by treaty or by concurrent legislation in Congress and in the Canadian Parliament. That the latter method was by far the more clumsy of the two was probably never doubted for an instant by those who had the matter in charge. We have already seen, however, how the jealousy of Congress was aroused by the proposal to ratify a treaty negotiated by the President with the Zollverein in 1844, and the same difficulty was later experienced in negotiating a treaty with Mexico. How persistent has been this jealousy can be realized from the fact that even within the past session of Congress (1902), when the treaties brought forward by Mr. John A. Kasson were under semi-official discussion, the contention that the President was exceeding his authority, urged as it has been ever since 1844, came again to the front. It was natural, therefore, that Mr. Walker, keenly realizing these difficulties, should have favored the adoption of concurrent legislation rather than any attempt to negotiate a treaty.

It has been noted that the Canadian Parliament, in pur-

[3] Haynes, "Reciprocity Treaty of 1854." *op. cit.*, p. 11.

suance of its idea of closer trade relations with the United States, had already acted upon the authority conferred upon it by the English Government, and had placed the products of the United States upon the same tariff basis as those of England. This implied a reduction on our products of from 12½ per cent. to 7½ per cent., and an increase of the duties on British goods of from 5 to 7½ per cent.[4] The reduction to us did not result in any legislation on the part of the United States. Pursuant to the negotiations already undertaken by Mr. Pakenham, the Canadian Parliament, early in 1849, passed an act "to provide for the free admission of certain articles, the growth and production of the United States or America, into Canada whenever similar articles, the growth and production of Canada, shall be admitted without duty into the said States." The Governor General had, moreover, been authorized to proclaim this act, and put it into effect as soon as it should be announced to him that corresponding steps had been taken by the American Congress.[5]

An attempt, at least, was made on the part of the United States to keep faith with Canada, on the basis of what had been said by Secretary Walker. Mr. Grinnell, the Chairman of the Committee on Commerce of the House of Representatives, introduced a bill in which he called for the abolition of the duties upon agricultural and natural products coming from Canada. This concession was, of course, conditioned upon the contemporary abolition by Canada of duties upon similar articles coming from the United States.[6] The bill was accompanied by a letter of the Secretary of the Treasury, dated May 1, 1848, in which the Secretary took occasion to endorse the measure, heartily recommending its passage. Although it passed the House of Representatives before the adjournment

[4] House executive document, No. 64, 31st Congress, 1st session, Vol. VIII, for message of President Taylor upon reciprocal trade with Canada, with correspondence.
[5] *Ibid.*, p. 14.
[6] *Ibid.*, p. 3.

of Congress in 1848, it was unable to get through the Senate. The reason usually assigned for the failure to act is the pressure of business at that time, while the fact that the Senate did nothing with the bill at its next session is frequently accounted for on the same ground. Of course, it goes without saying that pressure of business is never the reason for a failure to pass any measure. Non-action always implies that a given bill is considered of less importance than some other which has been acted upon in preference to it. The fact, indeed, seems to be that there were several official reasons for the unwillingness of the Senate to adopt the free trade measure passed by the House of Representatives. Most important of all, it was desired that concessions should be made by Canada covering the free navigation of the St. Lawrence and other provisions for our Northern trade which could not well be attended to by concurrent legislation, inasmuch as we should, in such a case, be more or less at the mercy of the Canadian Parliament.

Another reciprocity bill was reported to the House of Representatives from the Committee on Commerce in January, 1850, but was met at the start by the old objection concerning the navigation of the St. Lawrence. It was sent back to the committee with orders to provide for the navigation of the River St. Lawrence and to "assimilate the same to the bill now pending before the Senate of the like character." [7] Thus was at once raised, in concrete shape, the question whether Canada would consent to such a concession. At the request of Robert N. McLane, who was then Chairman of the Committee on Commerce, the Secretary of State was requested to ascertain whether the use of the St. Lawrence would be granted by the British Government. Moreover, the old complaint, which afterward played so important a part, that the markets of Canada were

[7] Haynes, *ante cit.*, p. 12, House executive document No. 64, 31st Congress, 1st session, and "Messages and Papers of the Presidents of the United States," Washington, Vol. V., p. 44.

not equivalent to those of the United States, was generally raised. This objection was considered by President Taylor, and was practically accepted by him, for he requested Secretary of State Clayton to inquire of the British Government whether the navigation of the St. Lawrence would be granted in addition to the reduction of tariff duties. A response to this inquiry came through the British Ambassador at Washington, who stated officially that his government was willing to grant by treaty the free navigation of the St. Lawrence and other Canadian waters. Thus appeared the first official suggestion of a resort to treaty as a means of consummating a reciprocity plan. The proposal was also acceptable to the Canadian Parliament, for that body had already signified its readiness to adopt suitable legislation with regard to the St. Lawrence.[8]

Notwithstanding the broad suggestion that a commercial treaty would be the best means of securing free navigation, and the evident acceptance of this idea by those in charge of reciprocity in the House of Representatives, no attempt was immediately made to secure the adoption of such an international agreement. Congress preferred to make another effort at concurrent legislation. At the next session of Congress another bill providing for reciprocity with Canada, and including the free navigation of the St. Lawrence and Canadian waters, was introduced in the House of Representatives. The most interesting feature of the debate on this measure, which otherwise developed nothing new, was the offering of an amendment which permitted the admission into Canada of our manufactured goods on the same basis as those manufactured in Great Britain. The measure, however, was not allowed to come to a vote and the question remained open, as had been the case for several years.

It would, perhaps, be a matter of some difficulty to account in precise terms for this continued failure to act. One thing

[8] House executive document, *ante cit.*, p. 36, also p. 9.

which is very striking, throughout this whole early history of the reciprocity contest, is the continuous growth of the demands made by our people upon Canada, as the question of trade concessions became more and more practical. Our relations with Canada were, indeed, of such a character as to make it very difficult to settle all the points at issue by means of concurrent legislation, and we were unwilling to lose the whip hand in the negotiations on account of the greater difficulty in carrying our points, which would be occasioned were we to yield to the wishes of Canada as to duties. Another matter which was gaining an unexpected importance was the fishery question. Our relations with Canada on this point were still governed by the treaty of 1818, several different interpretations of which had arisen. The problem of the fisheries, however, was not one which could be handled by means of negotiations between Canada and the United States solely. The waters in which the fishery question was of pressing importance were not alone those appertaining to the Canadian provinces, but included the fishing grounds of the whole of British North America. This question was, therefore, not one which could be settled by concurrent legislation. A treaty was evidently the best mode of dealing with the international relations which were involved.[9] Students on both sides of the line were becoming thoroughly convinced that only by treaty could the complicated problems involved in trade reciprocity, free navigation of the St. Lawrence and other Canadian waters, and equitable fishing arrangements, be successfully attacked.

Shortly before the close of Congress in 1853, Mr. Breckenridge introduced in Congress a resolution requesting the President to "arrange by treaty the questions connected with the fisheries on the coasts of British North America, the free navigation of the St. Lawrence and St. John, the export duty

[9] House executive document, No. 64, Vol. VIII., 31st Congress, 1st session, p. 34.

on American lumber in the province of New Brunswick, and reciprocal trade with the British North American colonies on the principles of liberal commercial intercourse." [10] In accordance with the desire thus expressed, and acting upon the earnest wishes of Canadian subjects, Lord Elgin, then Governor General of Canada, came to Washington for the purpose of negotiating a treaty on these subjects with the United States. Notwithstanding the growth of opinion in some circles favorable to reciprocity, the moment of the governor's arrival was apparently inopportune. A large Democratic majority in the Senate was opposed to the Canadian reciprocity scheme. Lord Elgin himself, although cordially received by President Pierce and Mr. Marcy, then Secretary of State, was informed by these gentlemen that it would probably be impossible to carry such a treaty through the Senate, on account of political conditions then existing. Although the outlook was apparently discouraging, Lord Elgin did not hesitate to undertake the work of conciliating the Democratic opposition and with such success that after a brief stay in Washington he signed the much discussed treaty on June 6, 1854, and the document was ratified by Congress, receiving the President's approval on the 5th of August next following.

This unexpected success of the Canadian delegation in securing a reciprocity treaty has been the subject of much bitter and some picturesque comment. Charges of corruption through money freely spent by Lord Elgin were, of course, numerously made by contemporaries. But much more numerous even than these are the charges that the treaty was the result of a hard bargain driven by an astute and accomplished diplomatist. Laurence Oliphant [11] has given an extravagant and amusing account of Washington society at that date and the methods employed by Lord Elgin in his negotiations with

[10] Haynes, *ante cit.*, p. 14.

[11] "Episodes in a Life of Adventure," New York, 1887, pp. 40-44, etc. See also "Memoir of the Life of Laurence Oliphant and Alice Oliphant, his wife," p. 109.

Congress. "Lord Elgin and his staff," he remarks, "approached the representatives of the American nation with all the legitimate wiles of accomplished and astute diplomats. They threw themselves into the society of Washington with the abandon and enjoyment of a group of visitors solely intent on pleasure." According to Oliphant, the successful termination of the bargain was due chiefly to shrewd scheming with the members of the Senate.

Oliphant's story has been discredited by Mr. Foster, notwithstanding that it comes from the pen of one then a member of the Canadian delegation and present throughout the whole of the negotiations.[12] Yet it seems highly probable that his account contains much more than a substratum of truth. The fact was that the opposition to the treaty was largely artificial and factitious. There was no good reason on economic grounds why a proper reciprocity agreement should not be negotiated. True, it would chiefly benefit the New England and Northwestern States; but, on the other hand, it would not be inimical to interests in other parts of the country. The opposition to it, therefore, rested largely on mere grounds of political opposition. The case was an instance where skilful intriguing would produce the most satisfactory results. That the treaty was "bought with British gold," or "floated through on champagne," is a statement which may be dismissed with the scant attention to which such aspersions are usually entitled. At the same time, it may well be believed that a bare treaty of reciprocity flung at the heads of the Senators by a none too popular administration would have met the same fate as the earlier attempts at better trade relations.

As finally approved on the 5th of August, 1854, the treaty provided that whenever the President of the United States "shall have sufficient evidence that the Imperial Parliament of Great Britain and the Provincial Parliaments of Canada,

[12] "Century of American Diplomacy," New York, p. 338-9.

New Brunswick, Nova Scotia and Prince Edward's Island, shall have passed laws to give full effect to the provisions of the treaty between the United States and Great Britain * * * [he is hereby authorized] to issue a proclamation declaring that he has such evidence, and thereupon, from the date of his proclamation, the [following articles] * * * shall be introduced into the United States free of duty." [13] Pursuant to this provision, President Pierce issued a proclamation promulgating the treaty on March 16, 1855, and it thereupon went into effect.[14] It was passed by the colonial legislatures of Canada, New Brunswick, Nova Scotia, Prince Edward's Island and Newfoundland, with an aggregate of only twenty-one negative votes.[15]

In its ultimate form, the Canadian treaty covered the navigation of the St. Lawrence, the subject of trade relations, and the fisheries question. For the present purpose, the important part of the treaty is contained in the third article, which gives the schedule covering the products affected by the tariff section of the agreement. It was not merely a reduction of duty that was provided for, but complete free trade in a list of articles which were to be admitted without restriction by the two countries mutually in all cases where the goods in question were the growth and produce of the exporting nation.[16] Whatever may be thought of the course of our trade under this agreement, it is certain that the arrangement was popular at the outset in both countries, and that the injustice afterward said to be inherent in it was not thought of until long after the treaty had been proclaimed. It must be conceded that a part of the contemporary approbation of the treaty was due to the fact that it seemed to dispose effectually of the fisheries question and to secure for our traders importan

[13] *Congressional Globe*, 33d Congress, 1st session, Vol. 28, Part 3, p. 2202.
[14] "Messages and Papers of the Presidents of the United States," Vol. V p. 389.
[15] Oliphant, "Episodes in a Life of Adventure," *ante cit.*, p. 53.
[16] For list of these articles see Appendix I.

navigation privileges. A great deal, however, was said of the expected results of free trade, in enabling our consumers to get cheaper commodities, while not destroying the protective principle. As a writer in the *North American Review* expressed it:[17]

"The friends of a protective system have declared all along that the aid they sought from the government was designed to be only temporary, that after a while the industry of the country would be able to stand on its own feet, work in its own way, and bear up with its own strength against all competition. The passage of the reciprocity treaty—all sections and all interests conspiring, borne onward by every current, favored by every breeze of popular feeling and general conviction—fulfils the predictions, redeems the pledges, and discharges the obligations of the protectionists, and at the same time realizes the visions of Free Traders, * * * but so far as our business relations with the British North American provinces are concerned, the circumstances connected with the consummation of the reciprocity treaty prove that all is ripe and ready for free trade. Every interest seemed at last to unite in welcoming it."

The treaty had been skilfully worded. Its articles had not been selected at haphazard. The anthracite coal interest had been subdued and soothed in its opposition to free trade in coal, by finding that in some of the Canadian provinces the output of the Pennsylvania mines was beginning to find a market. Bituminous coal miners were too remote to feel any dread of Canadian competition, so that, on the whole, the coal opposition from which active work had been anticipated became paralyzed, or broke completely down. Manufacturers were, of course, best satisfied with the situation. They recognized that improved trade with the provinces meant an enlargement of their own home market and, while no manufactured goods were included in the free trade schedule of the treaty, which was limited to raw products, they realized that the main object of the agreement would be accomplished could the eyes of Canadian merchants be turned toward the United

[17] "The Reciprocity Treaty," *North American Review*, October, 1854, Vol. p. 479.

States. By the earlier action of the Provincial Parliament they found themselves placed on a footing of equality with English competitors, as regards manufactured exports to Canadian markets. They could thus meet Great Britain in sales to Canadians with a good chance of success. Contrary to what had been expected, our farmers manifested no particular opposition to the agricultural reciprocity provided for by the treaty. It was true that the free entry of grain, animals, meats, vegetables, fruits, and other products of the field and forest into the United States, would seem to imply an incursion upon the home market of the American farmer. This seeming, however, was largely unreal. It was true, of course, that a large surplus of grain was, even at that early day, produced by Upper Canada, but the same was not true with Lower Canada or the coast provinces. Canada is divided into several geographical divisions, each of which belongs logically to a corresponding division of the United States. In the absence of tariffs, each of these regions would tend naturally to become a simple competing area, including both the Canadian and the American portions of the division. Moreover, the free navigation of all rivers, lakes and bays, and the equal use on both sides of all canals and railways, tended to bind such sections of the country closer and closer together, and enabled our agriculturists to compete very successfully, in the sale of their products to certain Canadian markets, with the same articles produced in Canada, but necessarily brought a much greater distance overland. This situation was quickly realized by the farmers of New England and of the Northwestern States. In some Western regions, where prairie land was fertile and abundant, there was a lack of fuel and lumber, which had always constituted a considerable hindrance to progress. Free timber meant cheaper cost of production, better opportunities for building and greater comfort in the household. These advantages were such as to make themselves instantly felt. They were also appreciated by the ordinary consumer in the more

densely populated districts of the country, where the price of fuel was already appreciably higher than it had been.

Certainly there was little or no heed paid to the charges concerning illegitimate influence in the negotiation of the agreement. It was generally conceded in the United States that Lord Elgin had met the situation frankly and openly, and that his method of approaching the officers of our government was eminently sane and businesslike. On the other hand, the apparently substantial benefits expected to accrue to the United States seemed to justify the public in feeling that Mr. Marcy had conducted the American end of the negotiations with skill and to our advantage. Much the same satisfaction—if anything, in a more intense form—was manifested on the Canadian side of the line. The annexation agitation was certainly moderated, and thus Lord Elgin's predictions were fulfilled. In the United States, also, the annexation sentiment was soothed, although in a different way. It seemed to be supposed that the successful consummation of the treaty implied a willingness on the part of Canadians to join us at some future date. "A people so identified [with us] it is argued, cannot long remain politically separated, but must be united by annexation. Events will probably justify this last line of reasoning," remarked a contemporary writer. "But whenever annexation comes," he continued, "be it sooner or later, the operation of the treaty will make it, beyond all doubt, a peaceful, amicable, and altogether salutary transition." [18] In the North, it was held that the step thus presumably taken toward annexation was a great blow to the South, which would find itself disappointed in preventing the acquisition of further non-slave territory. On the other hand, the Southern statesmen were inclined to congratulate themselves on having postponed annexation or annihilated it altogether by their assent to trade concessions.

The bright hopes entertained concerning the operation of

[18] *Ibid.*, Vol. 79, p. 483.

the treaty seemed likewise to be fully justified by the course of our trade. Our exports to Canada had, in 1850, amounted to only $3,585,170, our imports from that country to $1,320,399. The closer commercial relations, already beginning to come into existence between the two countries, seemed to be producing their effect in advance of the proclamation of the agreement, for trade grew rapidly throughout the early fifties. Exports to Canada rose to eleven, to twelve, and finally, in 1854, to twenty-four million dollars. At the same time, imports from Canada to the United States increased to five, six, and, in 1854, to eight million dollars. But, in 1855, the year of the proclamation of the treaty, imports were more than fifteen, and exports nearly twenty-eight millions. During the years from 1856 to 1860 progress was rapid. In the last named year our imports were $23,572,796. On the other hand, our exports in 1856 aggregated $29,025,349, and, although they fell off a little during the period just before 1860, they recovered after that date. They maintained a generally higher level than our imports until 1865. In that year imports from Canada amounted to $33,153,672 and exports to only $27,529,939.[19]

The popularity enjoyed by the Canadian treaty at the outset, however, proved to be unfortunately shortlived. The crisis of 1857 had a destructive effect upon it. Both exports and imports fell off heavily in 1857 and 1858. Moreover, the slavery question became more acute, and the attitude of Great Britain seemed to be hostile to the North. This naturally tended to create an unfavorable disposition toward all our relations with Canada. Flaws began to be found in the treaty, where, under ordinary circumstances, no difficulties would have been held to exist. Besides this, the producers of certain articles not enumerated in the free list of the treaty began

[19] The statistics here and elsewhere quoted are drawn from "Reciprocity Treaties and Agreements Between the United States and Foreign Countries Since 1850" (taken from the "Summary of Commerce and Finance," Nov., 1901), published by the Treasury Bureau of Statistics.

to feel dissatisfaction. It was desired that hay and hops, in particular, should be placed upon the same basis as other similar articles. On June 12, 1858, a joint resolution authorizing the President to extend the treaty in this way was discussed [20] by Congress.

No such extension proved to be practicable. The dissatisfaction with the terms of the existing agreement continued, and by 1860 a full-fledged controversy concerning our relations with Canada had arisen. So soon as serious agitation for the discontinuance of the treaty really began, there of course appeared a vigorous party in defense of it. By March, 1860, the contest had gone far enough to lead to the passage of a House resolution, whereby the President was requested to furnish information as to "whether the provincial government of Canada has not, through its legislature, violated the spirit of said treaty * * * what measures, if any, have been taken to procure correct information touching the practical operation and effect of the third article [containing the schedule of products falling under the reciprocity provisions] upon the interests of American citizens, and whether, in his opinion, the third article could not with advantage to American interests be either amended or rescinded."

The "violations of the spirit of the treaty" herein referred to will be spoken of at a later point in this narrative. They referred to alleged efforts on the part of Canada to discriminate against the American producer by raising the rates of duty on certain articles not coming under the reciprocity provisions, and to legislation said to have been adopted for the purpose of practically nullifying the effect of our navigation privileges on Canadian waters.

In order to obtain the information concerning the trade with Canada for which Congress had expressed a desire, Mr. Israel T. Hatch was ordered by the Secretary of the

---

[20] *Congressional Globe*, 35th Congress, 1st session, part III., pp. 2212 and 3016.

Treasury to report concerning the operation of the reciprocity treaty.[21] Mr. Hatch's report on this subject was rendered on March 28, 1860, and was distinctly unfavorable to the continuation of the existing status. According to him, the charges concerning discrimination against the United States were thoroughly well founded. He attempted to show that there had been a steady increase of the Canadian duties since 1854,[22] and he maintained that this increase was due to a desire to injure American manufactures. That being the case, a loss of revenue, estimated by him at $1,851,517 annually, or $9,257,586 in all, could hardly be justified. Whereas, during the years 1856-1859, we did not collect annually duties on much more than $100,000 worth of merchandise actually produced in Canada, "yielding, on an average of 20 per cent., about $25,000, towards defraying the yearly expenses of collection and of guarding a frontier of inland coast about 6,000 miles in extent," the total amount of our products taxed in Canada was $18,294,293 larger than the amount of Canadian products taxed in this country, "reciprocity and equality being, in this instance, represented in the relative proportions of 45

[21] For Hatch's report see House executive document No. 96, 36th Congress, 1st session, Vol. 13, pp. 1-48.

[22] The annual increase of Canadian tariff duties, 1855-1859, was stated by Mr. Hatch as below:

YEARLY CHANGES AND INCREASED DUTIES IN CANADIAN TARIFFS.

Articles.	1855 Per cent.	1856 Per cent.	1857 Per cent.	1858 Per cent.	1859 Per cent.
Molasses	16	11	11	18	30
Sugar, Refined	32	28	25	26½	40
Sugar, Other	27½	20	17½	21	30
Boots and shoes	12½	14½	20	21	25
Harness	12½	17	20	21	25
Cotton goods	12½	13½	15	15	20
Iron goods	12½	18½	15	16	20
Silk goods	12½	13¼	15	17	20
Wool goods	12½	14	15	18	20

to 1." In other words, Mr. Hatch was inclined to complain because of the fact that we had succeeded in getting a larger market for certain goods in Canada than that country had found for manufactured goods in the United States.

Discussing the argument that the increase in Canadian duties had been no more than sufficient to offset the duties charged by the United States on Canadian products coming into this country, Mr. Hatch remarked:

"They [the Canadians] can find no justification for the annual increase in their rates of tariff in the assertion that the present rates do not exceed our own. When the treaty was ratified our tariff exceeded theirs, and the consideration given to them was not an equality of tariffs but an interchange of the produce of both countries and certain privileges in navigation, while a liberal policy toward our manufactures was promised and had been adopted; thus placing the commerce and navigation of the two countries upon 'terms reciprocally beneficial and satisfactory,' although we have made large reductions in our tariff since the treaty. * * * If it be true that the Canadian Government has a right to increase its taxes upon our industry, as it has done almost to the exclusion of our manufactures, because no stipulation against this course was inserted in the treaty, then it has a right to put an embargo (for a prohibitory duty amounts to an embargo) upon all articles not enumerated in the treaty, and there could be no check to its aggressions."

Mr. Hatch was not able to show that the alleged protective policy of Canada had succeeded in building up manufacturing in that country, or in breaking down manufacturing in the United States, but he explained this by the remark that the time which had elapsed since the protective duties were enacted had been too short to permit of a judgment. Perhaps the most interesting argument put forward in the Hatch report was that which related to the differential duties charged to American shippers and carriers. These differential rates were put into effect by a change in valuation. The basis of valuation in Canadian custom houses, it was charged, was not the original value or weight of the goods, but was that value plus freight, interest, insurance charges, etc. The same articles,

imported into Canada via the St. Lawrence and direct from their place of production, paid duty only on their original valuation, but when passing through the United States were obliged to pay a tariff on the other charges as well, and this fact was said to constitute a discrimination against American carriers and American merchants. Of the same general character was the claim that wheat exports to Canada were not consumed there, but were either re-exported to the United States or to foreign countries after being ground into flour. In the former case, our millers were injured for the sake of the Canadians, while in the latter case, the American shipowner was deprived of freight which he otherwise might have carried to foreign countries. As a matter of fact, our exports of wheat and flour showed a very marked falling off, according to the statistics furnished by Mr. Hatch, as compared with what we had sent abroad before the treaty had gone into effect.[23] The bitterest complaint came from the farmer and from the lumber interest, which found themselves placed on a

[23] The following statement of our imports and exports of wheat and flour from and to Canada is furnished in Mr. Hatch's report (p. 24).

STATEMENT SHOWING THE COMPARATIVE VALUE OF THE IMPORTS AND EXPORTS OF WHEAT AND FLOUR INTO AND FROM CANADA FROM THE YEAR ENDING JANUARY 1, 1850, TO JANUARY 1, 1859.

Year.	Imports.		Exports.	
	Wheat.	Flour.	Wheat.	Flour.
1851	$113,936	$2,247	$1,072,135	$2,743,185
1850	294,479	4,507	687,180	2,683,301
1852	76,953	4,973	1,421,825	2,757,510
1853	14,664	4,870	3,090,441	4,248,835
1854	138,913	17,965	2,098,137	4,796,699
1855	1,461,624	1,625,735	5,928,866	5,801,920
1856	1,694,091	808,737	6,977,843	6,009,809
1857	2,375,638	1,262,485	2,789,975	4,537,642
1858	1,647,489	763,960	2,355,096	3,065,810

basis of equality with Canadians, in spite of the fact that our manufacturers got no compensating advantage in the export of their goods. As for the navigation privileges conveyed to us by the treaty, Mr. Hatch did not consider them of great value. When the agreement was negotiated, the Western States considered the concession of the free navigation of the St. Lawrence a great gain. The commerce of the Northwestern lakes amounted, in 1856, to $587,197,320, more than 1,600 vessels with an aggregate tonnage of over 400,000 being employed in it. During the first six years of the treaty, however, only forty American vessels, with a gross burden of 12,550 tons, had passed down the St. Lawrence, while only nineteen of these ships had returned from the ocean. Twenty-five of these vessels had sailed for foreign countries, while the rest had been bound for American ports. As against this insignificant amount of foreign trade, growing out of the navigation of the St. Lawrence, the free use of the waters of Lake Michigan granted by us to Canada had resulted, according to Mr. Hatch, to the great injury of American freighters. As for the use of the canals, the privilege was one of which Canada would, in any case, treaty or no treaty, be very unlikely to deprive us, since a large part of the revenue of these waterways was paid by American vessels. In fact, the main object of the Canadian canals had been to divert American commerce from its original channels, so that to close them to our ships would be to divert the very purpose for which they were originally constructed. In a similar way, special legislation in favor of the Grand Trunk Railway had rendered it impossible for our railways to compete in certain classes of freight. As a net result of his investigations, Mr. Hatch came to the conclusion that American trade was "worth" vastly more to the United States than ours was to the provinces, and that we could exact much more favorable terms.[24] He, there-

[24] Mr. Hatch stated (Report, *ante cit.*, p. 46) the general situation as follows:

fore, recommended that the treaty should be abrogated. While he appeared to think that some treaty might conceivably be

SUMMARY SHOWING AN EXCESS OF EXPORTATIONS FROM CANADA TO THE UNITED STATES ABOVE THOSE TO ALL OTHER COUNTRIES, TOGETHER, FROM DECEMBER 31, 1854, TO JANUARY 1, 1859.

Years.	Total exports from Canada to the United States, Great Britain, and all other countries.	Exports from Canada to the United States.
1855	$28,108,461	$20,002,290
1856	32,047,016	20,218,653
1857	27,006,624	14,762,641
1858	23,472,609	13,373,138
Total	$110,634,710	$68,356,722
Exports to the United States	68,356,722	
Exports to all other countries	42,277,988	
Amount of Canadian exports to the United States above those to Great Britain and all other countries	26,078,734	

SUMMARY SHOWING AN ANNUAL EXCESS OF IMPORTATIONS INTO CANADA FROM THE UNITED STATES ABOVE THOSE FROM ALL OTHER COUNTRIES TOGETHER, FROM DECEMBER 31, 1854, TO JANUARY 1, 1859.

Years.	Imports into Canada from the United States and all other countries.	Imports into Canada from the United States.
1855	$36,086,169	$20,828,676
1856	43,584,387	22,704,509
1857	39,430,597	20,224,650
1858	29,078,527	15,635,565
Total	$148,179,680	$79,393,400
Imports from the United States	79,393,400	
Imports from all other countries	68,786,280	
Imports from the United States above those from Great Britain and all other countries.	10,607,120	

concluded upon a satisfactory basis, he did not suggest any such basis and was evidently dominated by protectionist influences. The effect of the forces which were then operating to push the two countries farther apart was seen in what he had to say regarding annexation. Annexation, he maintained, had few advocates on either side of the border, while of popular opinion concerning our trade relations with the provinces, he remarker (p. 25) that

"A general dissatisfaction with the treaty exists on the southern side of the boundary line whenever its operation is perceived, except in those parts of the West where the Canadian is erroneously regarded as an additional purchaser or consumer, and not as he really is, a mere grain carrier in rivalry with our own or in those other parts of the United States as to which, for its own purposes, the Canadian or British Government has made preferential laws, and to which it has given a local prosperity at the expense of the general welfare of this country."

James W. Taylor also was ordered to report to the Secretary of the Treasury concerning the effect of the treaty, and did actually render a report dated May 2, 1860, addressed to that officer. It was entitled: "The Canadian Reciprocity Treaty: Some Considerations in Its Favor." [25] In this document Mr. Taylor took strong ground in favor of the treaty and rebutted the claim that the Canadians had been guilty of bad faith in their relations with the United States.

One of the most important matters discussed by him was the claim supported by Mr. Hatch that the action of Canada in raising duties on imports through her tariff of 1858 had resulted in discrimination against American manufacturers. "This," said Mr. Taylor, "is no reasonable ground for complaint. Canada is careful to include in the free list every article named in the schedule of the treaty, and as to the manufactured articles, what right had we to demand that the provinces should encourage importations from the United

[25] House executive document, 36th Congress, 1st session, No. 96, 1859-60, Vol. 13.

States when our legislation of 1846 imposed duties as high as thirty per cent. and the acts of 1857 only reduced their average to twenty-four per cent., upon Canadian manufactures?" [26] In a long comparison of the rates of tariff levied by Canada and by the United States, respectively, Mr. Taylor showed that our rates of duty were for the most part fully as high, if not higher, than those laid by Canada. He instituted a careful examination, both of our tariffs of 1846 and that of 1857, with the Canadian tariff of 1858, and it clearly appeared that Canada had done no more than to bring her duties up to something like the American level.[27] The specific conclusion drawn from this comparison was that our average ad valorem duties under the act of 1857 amounted to about twenty-one per cent., while under the Canadian act of 1858 they were only about sixteen per cent. This situation, of course, gave a ridiculous appearance to the demand that Canada should restore the rate of duties which existed when the reciprocity treaty was ratified, upon penalty of the abrogation of the latter. The demand bordered on arrogance, said Mr. Taylor, in view of the fact that the duties imposed under the tariff of 1857 were at least 25 per cent. higher than the corresponding rates of the Canadian tariff.

In speaking of the effect of the new Canadian rates upon our exports of manufactures, the investigator was quite as favorable to the Canadian point of view as he had been in discussing the relative rates of duty. The Canadian rates of 1858 had gone into operation August 7. Exports of dutiable articles from the United States during the year ending June 30, 1858, as compared with exports during the year ending June 30, 1859, therefore, exhibited a fair comparison of the operations of the new duties as against what had previously existed. In a long list of manufactured exports passing from the United States to Canada, Mr. Taylor found that there was

[26] *Ibid.*, pp. 51-52. [27] *Ibid.*

a marked increase of shipments of many articles. The total exports included in this list aggregated $3,140,275 for 1859, as against $2,560,413 for 1858—a result which would make it appear that there was very little justice in the claim that our trade had been seriously injured by the new rates.

It seemed to be clear that the increase in duties was absolutely demanded by the revenue needs of the Canadian Government. The act of 1858 was a revenue measure and imposed heavy duties upon articles like tea and coffee, which were likely to be productive sources of income. It is hard, in view of these facts, to account fully for the loud clamor on the part of our manufacturers against the discrimination which they supposed themselves to be either subject to, or about to suffer from, in Canadian markets. In part, this was due to that general prejudice against Canada which sought its arguments even where they did not exist. But it was also true that a considerable party was organizing on the Canadian side of the border with the design of encouraging home industries. Most Canadian manufactured products had, up to that date, been absorbed by domestic demand, but shortly after the passage of the new tariff a few began to be sold in American markets. The imports of Canadian manufactured articles to the United States were only $234,234, in 1858, but had grown to $375,201 the following year.[28] This agitation for protection to Canadian products naturally attracted considerable attention among American manufacturers, who had always had a strong tendency to cry out before they were hurt. Another important source of opposition to the new treaty which was very clearly indicated by Mr. Taylor was the hostility of shipping and transportation interests, particularly those of New York and Philadelphia. The competition of the Grand Trunk Railway and the free navigation of the St. Lawrence were looked upon with alarm by the transportation companies, which recog-

[28] Taylor's report, *ante cit.*, pp. 56-57.

nized that, could the treaty be abrogated, the commerce of the Northwest, and perhaps also of the South, would pursue distinctly different lines. How purely selfish was this opposition to reciprocity can be appreciated from the fact that no such hostile feeling could be found throughout Pennsylvania as a whole, for the coal and iron of that State were finding an excellent market in Canada, while the same was true of the manufactured goods produced both in Pennsylvania and in New York.

That Mr. Taylor's view of the hostility of transportation interests had considerable foundation in fact appeared very clearly, nearly two years later, in a set of resolutions passed by the New York Legislature and forwarded to Congress. These resolutions declared that Canada was violating the spirit of the reciprocity treaty, and in harmony with the tone of the resolutions themselves, Representative Ward made a report in behalf of the House Committee on Commerce in which he distinctly charged that it was the avowed purpose of Canadian officials to divert American trade from natural transportation routes within this country and to carry it through Canadian territory by means of special rates. They also sought, he contended, to drive American vessels from Canadian waters by the levy of discriminating duties upon them, thus neutralizing the navigation clauses of the treaty. Mr. Ward's report was, however, peculiar in that while it complained of existing conditions it argued strongly for the general principle of reciprocity and advocated the extension and revision of the treaty.[29]

The evident dissatisfaction thus prevailing in the United States led the Canadians to see clearly that the reciprocity treaty was in grave danger. A reply to the arguments of American objectors was issued by the Canadian Minister of Finance in a document [30] in which he considered the causes

[29] House Committee Reports, 37th Congress, 2d session, Vol. III., No. 22.
[30] Haynes, "Reciprocity Treaty of 1854," *ante cit.*, p. 21.

of the dissatisfaction and undertook to show that they were without foundation. This answer, of course, was ineffectual. In 1864, Representative Ward, on behalf of the House Committee on Commerce, again took up the subject, presenting a report in which he outlined a new policy with reference to Canada.[31] This policy was, in substance, that the President be authorized to give notice to the government of Great Britain that it was the intention of the United States to terminate the reciprocity treaty unless a new convention satisfactory to both governments should be concluded. The question was brought to debate by a joint resolution reported by the Committee on Commerce and embodying its recommendations. Representative Arnold, of Illinois, sought to amend the resolution by the insertion of a clause stating that the President should use his judgment regarding the abrogation of the treaty in the event that the attempt to negotiate a new one should fail. Morrill, of Vermont, then also a member of the House, attempted the introduction of a further amendment by substituting a resolution providing for unconditional abrogation of the treaty.[32] Neither of these extreme standpoints was adopted; and, on December 13, 1864, the House passed the original resolution of the Committee on Commerce by a vote of 85 to 57, forty members not voting.[33] This resolution was received by the Senate on the following day (December 14), and was referred to the Committee on Foreign Relations,[34] a step which was supposed to indicate that the question was considered a political rather than a commercial matter. This committee shortly after reported an amended form of the resolution. It provided for the unconditional abrogation of the treaty, and passed the Senate January 12, 1865, by a vote of 33 to 8.[35] The amended resolution was then returned to

[31] Reports of Committees, 38th Congress, 1st session, 1863-64, No. 39, Vol. 1, p. 8.
[32] *Congressional Globe*, 38th Congress, 1st session, 1863-64, p. 2455, also p. 2364.
[33] *Ibid.*, 2d session, Part I., p. 32.
[34] *Ibid.*, 38th Congress, 2d session, p. 34.
[35] *Ibid.*, p. 277.

the House and the amendment was concurred in on the 16th of January, 1865.[36] As finally framed, the resolution stated that:

"It is no longer for the interest of the United States to continue the same [the treaty] in force" * * * and that "notice be given of the termination of the reciprocity treaty, according to the provisions therein contained for the termination of the same."[37]

Thus framed the resolution was approved by the President January 18, 1865[38] and our relations with Canada came to a close March 17, 1866.

It seems astonishing that Canada should have permitted so valuable a commercial arrangement to slip from her grasp without a determined effort to retain its benefits. The danger does not seem to have been fully realized until it was too late to take effective action. Great Britain, especially, seems to have been indifferent to the interests of Canada in the whole matter. According to Mr. E. W. Watkin[39] the ministry was guilty of the most culpable negligence. Speaking in the British House of Commons on this subject in February, 1865, Mr. Watkin said:

"A treaty of amity and commerce between Great Britain and the United States of America, known as the 'reciprocity treaty,' has been allowed to expire with the expiry of the twelve months' notice given on the 17th March, 1865, by the government at Washington under the authority of the Senate. * * * No explanation has been given to Parliament, nor has a single paper of any kind been laid upon the table of the House of Her Majesty's government * * * but it has been * * * allowed to expire * * * owing mainly to the culpable negligence and maladroit management of those who have had charge of British interests."[40]

According to Mr. Watkin, "the results of trade had been

---

[36] *Ibid.*, p. 291.
[37] *Ibid.*, p. 277.
[38] U. S. Statutes at Large, 38th Congress, 2d session, Vol. 13, p. 566. For debates in Congress on this whole question see *Congressional Globe*, 38th Congress, 1st session, part III., pp. 2333-38, 2364-71, 2452-6, 2476-84, 2502-09, and 2d session, 1865-6, part I., pp. 204-13, 226-34.
[39] "Canada and the States," London, 1887.
[40] *Ibid.*, pp. 382-89.

so happy that a total annual interchange of commodities of a value of nearly £10,000,000 a year in amount between the British provinces and the United States" existed. The treaty might have been revised and extended, he thought, before the causes of irritation had led to such intense feeling.

Action looking to the prolongation of the treaty came, however, when it was too late. The twelve months' notice aroused the Canadians to a realizing sense of what they were about to lose and a movement was set on foot to secure an extension. January 24, 1866, a delegation, including A. T. Galt, the Canadian Minister of Finance, W. P. Howland, the Postmaster General of Canada, A. J. Smith, Attorney General of New Brunswick, and W. A. Henry, Attorney General of Nova Scotia, came to Washington, and remained until February 6, vainly attempting to negotiate a new treaty. Through the Secretary of the Treasury proposals were made to the Ways and Means Committee of Congress and counter-proposals concerning duties on Canadian products were submitted to the delegates, but the terms offered were such as to make negotiations absolutely impossible. The Canadian delegates returned home in disgust, and the only result of their visit was the introduction of a bill in Congress during March, 1866, in which it was provided that a new treaty should be offered to Canada. The bill failed of passage, but even had it gone through Congress the offer thereby made would never have been accepted, for its terms were so unfair that Canada could not have dreamed of accepting them.

It was undoubtedly true that the people of the United States considered the advantages accruing to Canada under the treaty to be vastly superior to those obtained by themselves through it. The annexation movement was still far from dead, and directly after the conclusion of the negotiations had been announced, it was displayed in several ridiculous ways. The prediction was very generally made that within two years Canada would be compelled to ask for

admission to the United States. At a meeting of delegates representing boards of trade and commercial organizations of the United States and Canada, which came together at Detroit July 11-14, 1865, Mr. Potter, then United States Consul at Montreal, expressed the prevailing opinion very baldly in the following words:

"Now we are ready to give you in Canada the most perfect reciprocity. We will give you complete free trade, but we ask you to come and share with us the responsibilities of our own government. * * * I believe that I express the general feeling of those who are the most friendly to the United States in Canada when I say it is not the policy of our government * * * to continue this treaty and I believe that in two years from the abrogation of the reciprocity treaty the people of Canada themselves will apply for admission to the United States." [41]

In much the same strain a Western newspaper [42] remarked a little later that:

"The Canadians will soon discover that free trade and smuggling will not compensate them for the loss of the reciprocity treaty. They will stay out in the cold for a few years, and try all sorts of expedients, but in the end will be constrained to knock for admission into the great Republic. Potter was right when he predicted that the abrogation of the treaty would cause annexation."

This political reason, however, cannot fully account for the abrogation of the agreement. In such cases, results are often produced by entirely antagonistic influences and in this instance a force precisely opposite to the desire for annexation was working strongly in conjunction with it to produce the same effect. This was the hatred of Canada and the wish to weaken our relations with that country. The conduct of the Southern party in England had aroused strong indignation in the Northern states, and it would seem that to this must be largely attributed our action in giving notice. According to Goldwin Smith.[43]

"To the anger which the behavior of a party in England had ex-

[41] *Ibid.*, p. 422.
[42] *Chicago Tribune*, January 6, 1866.
[43] "Canada and the Canadian Question," London and New York, 1891, p. 141.

cited in America, Canada owes the loss of the reciprocity treaty. * * * If Great Britain can, with justice, say that she has paid heavily for the defense of Canada, Canada can with equal justice reply that she has paid heavily in the way of commercial sacrifice for the policy of Great Britain."

Much the same view was taken by Charles Francis Adams, then Minister to Great Britain, who wrote on February 2, 1865, to Secretary Seward [44] that in his opinion:

"All these measures (for abrogation) were the result rather of a strong political feeling than of any commercial considerations."

The same opinion is entertained by others, [45] and this testimony is of great importance because of the claim now frequently made that the Canadian treaty was very disadvantageous to us commercially.

The most thorough review of the working of the Canadian treaty that has been made, in all probability, was furnished by Mr. E. H. Derby, who was appointed by Secretary McCulloch to investigate it. His report was rendered in 1866 and not only contained a review of the working of the treaty, but outlined a policy for the future. As to the reliability of the report, a fair estimate has been quoted by Mr. Watkin, in the work already referred to. Mr. Watkin says: [46]

"Mr. Derby's report contains much that is sensational, and many curious admissions, but its general tenor is strongly in favor of a new treaty, regard being had to the revenue necessities of the United States; *i.e.*, that articles admitted into the United States from Canada should pay a duty equivalent to the internal revenue tax on the same articles charged in the States. This is just as if Great Britain said that brandy from France coming into England should pay a duty equivalent to the English excise duty upon spirits, which would be quite fair."

Probably the best idea of the result of Mr. Derby's investigations can be gathered from the policy outlined by him for the renewal of the treaty. He suggested twelve features

[44] House Executive Documents, 39th Congress, 1st session, Vol. 1, part 1 (Diplomatic), p. 111.

[45] See, for example, Foster, "A Century of American Diplomacy," Boston and New York, 1901, p. 339.

[46] "Canada and the States," p. 405.

to be embodied in any new agreement of the kind, and contended that the adoption of these would almost inevitably result in general satisfaction, and entirely do away with the friction previously existing between Canada and the United States. These suggestions of Mr. Derby were about as follows:

(1.) That neither party should establish or maintain either in the provinces or on the waters that flow into the Gulf of the St. Lawrence or within fifty miles of the same any free port whatever.

(2.) That all reasonable exertions should be made on both sides of the border to discourage smuggling.

(3.) That each party to the agreement should be free to use its own judgment in taxing articles of luxury, and certain other articles which he enumerated.

(4.) That cotton, lumber, fish, and coal, should be removed from the free list, and certain manufactured articles be added to it.

(5.) That moderate duties be imposed on lumber, coal and fish.

(6.) That new patent and copyright legislation, fair to both countries, should be enacted.

(7.) That goods imported into Canada through the United States in unbroken packages should be valued at the cost in the country of production, and the same in the case of goods imported into the United States through Canada.

(8.) That there should be no discriminating rates in favor of vessels or goods passing between Lake Erie and points below Ogdensburg, as against vessels using the Welland Canal only, and that no export duties should be imposed on Maine timber going down the St. Johns.

(9.) That navigation should be secured through Lake St. Clair, around the Falls of Niagara, down the St. Lawrence and into Lake Champlain, for vessels of both countries drawing from twelve to fourteen feet.

(10.) That vessels built in either country might be sold

and registered in the other on payment of a duty of five dollars per ton for a limited period.

(11.) That Newfoundland, Western Columbia and Vancouvers Island should be included in the scope of the treaty.

(12.) That the rights to fisheries conceded by the treaty of 1783 and re-established by the reciprocity treaty should be made perpetual.[47]

It thus appears that the general idea of the reciprocity with Canada was approved by Mr. Derby and that even so bigoted a defender of American interests as he could not fail to recognize the beneficial results arising from its maintenance. In fact, it seems very clear from Mr. Derby's remarks that the difficulties which had been recognized in the case of the reciprocity treaty related purely to matters of detail, and arose largely out of misunderstandings between the two countries. This idea is amply supported by the inquiries of the Revenue Commission of 1866, which contended that while the existing reciprocity treaty was perhaps not to the interest of the United States, a treaty should be negotiated between the two countries on fair and equitable terms following the general lines laid down in the reciprocity treaty itself, but taking care to avoid the points of difference.

One matter of considerable importance, which deserves to be borne in mind in studying the circumstances which led to the abrogation of the reciprocity treaty, is found in the fact that during our Civil War an elaborate system of internal revenue taxation had been developed in the United States. It is easy to see that under such conditions the domestic producer of certain articles subject to heavy internal revenue taxation found himself at a disadvantage as compared with the foreign producer, who was subject to no such burden. It was to this fact that much of the talk about annexation

[47] "A Preliminary Report on the Treaty of Reciprocity with Great Britain to Regulate the Trade between the United States and the Provinces of British North America," by E. H. Derby. Treasury Department, Washington, 1866.

owed its origin. If the Canadians were really desirous to have free trade with the United States, they should be permitted to get it only upon condition that they were willing to submit to the same burdens. The imposition of an import duty equivalent to the amount of our internal revenue tax was manifestly no more than it was right to expect. Yet it was, of course, impossible to take any such step so long as we continued, bound by the reciprocity treaty, to admit free a long list of articles produced under similar conditions by both countries. There was doubtless a certain demand on the part of commercial interests that the treaty should be abrogated. As has already been shown, dissatisfaction existed among mining, lumber and agricultural interests, because they saw the effect of Canadian competition in keeping prices low.[48] It must be recognized, also, that there was a real feeling throughout the country that Canada had not acted in accordance with the spirit of the treaty in taxing American manufactured articles so highly. Instead of purchasing a market for our manufactured exports, what we had really done was to assure low prices to the consumer of agricultural imports, or of domestic products with which the latter competed. In this case, as in all others, the forces active in showing dissatisfaction or approval were those of the producing interests. The consumer, who was really benefited by the Canadian treaty, as usual said nothing but allowed himself to be deprived of advantages which he came to value at their proper worth only when it was too late. Then, too, the special Canadian legislation by which it was sought to take trade away from American carriers was a source of constant irritation. But, on the whole, it must be conceded by every student of commercial intercourse that the Canadian treaty was well designed to promote the interests of our citizens, and to put trade between the two countries upon an equitable basis.

---

[48] Article on "Reciprocity," by A. T. Hadley, in Lalor's Cyclopædia of Political Science, etc., Vol. III., p. 539.

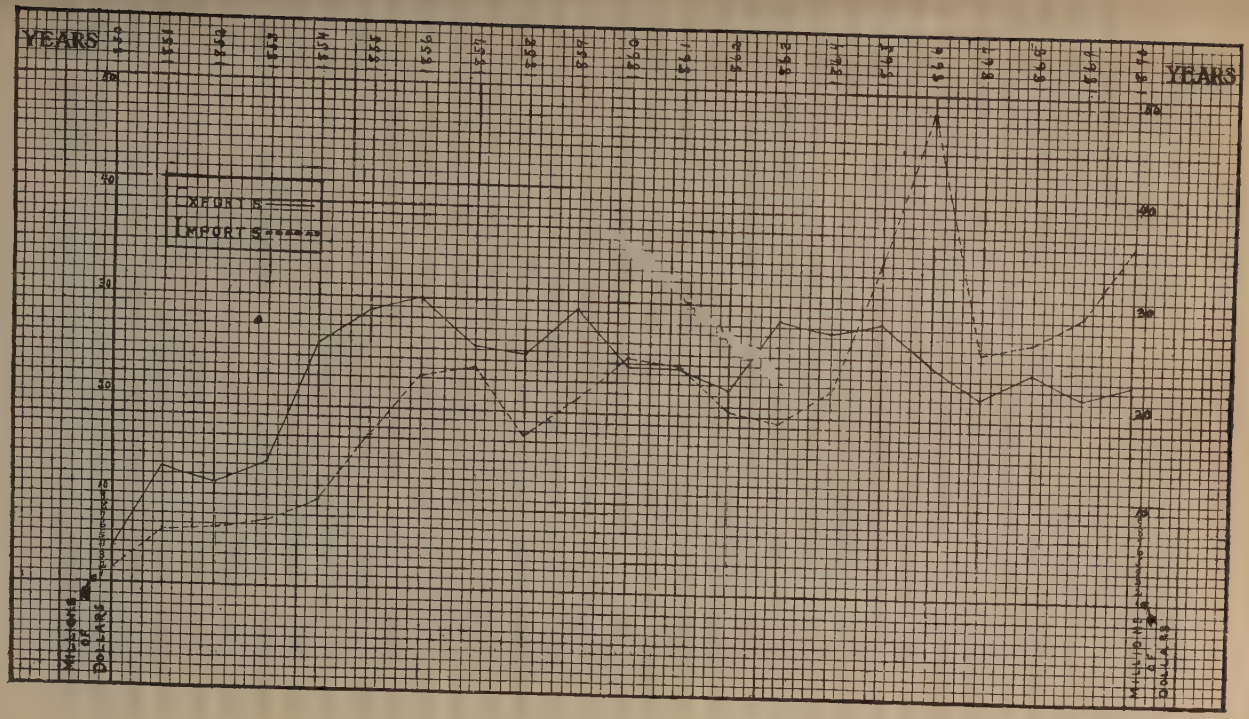


Chart I.—Trade with British North America.

In the accompanying chart, the figures representing our export and import trade with Canada, from 1850 to 1870, have been plotted. It will be observed that during the five-year period preceding the ratification of the Canadian treaty, our trade with Canada was steadily increasing, both exports and imports tending upward at substantially the same rate. During the ten years from 1855 to 1864, inclusive, no increase in the general level of trade is to be observed. Two periods of depression may be noted, the first falling in 1857-1858, the second in 1860-1862. The earlier of these depressions is attributable to the crisis which prevailed throughout the United States and to some extent throughout Canada during those years. The lowest point of depression was reached in 1858; but, in international trade, as in other lines of industrial effort, this crisis was short-lived, and both exports and imports recovered in 1859. The Civil War was a serious injury to our export business during 1860, 1861, and 1862, and it was not until 1863 that the figures reached anything like their old level. On the other hand, imports were not immediately injured at the time of the war, but seem to have suffered from the depressing effects of the struggle somewhat later, the lowest point being reached in 1863, at a time when exports were already on the mending hand. This is precisely what should have been expected. During the war, of course, when the productive power of our own country was curtailed, we naturally looked to Canada for supplies, and 1860 and 1861 were the only years in which our imports from that country exceeded our exports during the life of the treaty, until just at the time the agreement was about to close. Recovery had already begun before the end of the Civil War, and 1864 might be considered a more normal year. Then, with the general recognition of the fact that the treaty was practically certain to be abrogated, came a great rush to bring quantities of Canadian goods over the border before the duties again became effective. This movement accounts for the abnormal

increase in imports in 1865, and particularly in 1866, which fell off as sharply in 1867. During the four years after the termination of the treaty—1867-1870—trade continued on a lower, but fairly normal level, and the close of the period shows a marked tendency to an increase in both exports and imports. There is certainly nothing in the course of our aggregate trade statistics which would go to show that Canada was reaping an unusual advantage. It is true that there is a marked change in the relation between exports and imports at the beginning of the period studied in the accompanying chart, as compared with that which existed at the end of it. Yet this change from an excess of exports to an excess of imports was certainly not the result of the treaty. During its life, while our imports certainly increased relatively to exports, they were, for the most part, distinctly lower in absolute amount. Even from the point of view, therefore, of those who attach great importance to the "favorable balance of trade," there is no evidence that would lead us to consider the working of the Canadian treaty unfavorable to us. In fact, it seems to have had, owing to the unwonted character of the events by which its existence was characterized, very little chance to show what it could do. Its results were certainly of much less importance than might have been expected. The movement which finally drove imports above exports was the outcome of our increasing tendency to look to Canada for certain raw products, the supplies of which were becoming materially reduced in our Northern and Eastern States, or which had never existed there. This tendency continued, and was not even neutralized, by the termination of the reciprocity treaty.

The truth about the Canadian treaty may be summed up very briefly. Its abrogation was due primarily to political influences, which had nothing whatever to do with commercial considerations; and secondarily, to the dissatisfaction felt by certain special interests which found themselves pressed

by Canadian competition, forcing them to reduce prices to the consumer where otherwise they would have found it easy to maintain them. Whatever truth there may be in the argument concerning the progressive increase in Canadian duties, and the attempt to prevent American vessels from doing their share of the carrying trade, there was certainly not enough of force in these considerations to lead to the abrogation of the treaty, had special political influences been absent, and had a few considerable interests not fancied themselves jeoparded by the continuance of reciprocity.

With the final suspension of negotiations after the unsuccessful attempt to renew the Canadian treaty in 1866, the history of actual reciprocity with Canada comes to an end. A chapter of history might be written upon the efforts made at intervals from that time to this, to re-establish some kind of free commercial intercourse. There have been numerous attempts to induce Congress to modify our customs duties in favor of raw products coming from British North America, and on not a few occasions it has been sought by Canada to resume negotiations on the subject. Thus, in July, 1869, Sir John Rose, then Canadian Minister of Finance, made a journey to Washington in order to negotiate a new treaty. While it is understood that no documentary evidence exists concerning this visit, it is maintained by some that complete reciprocity or commercial union was offered by Mr. Rose to President Grant's administration.[49] Again, in 1873, the Liberal Party gained the upperhand in Canada. In February of the following year the question of trade with the United States was reopened. Mr. George Brown, acting as plenipotentiary for Great Britain, in conjunction with Sir Edward Thornton, then British Minister at Washington, drafted a treaty which was sent to the Senate by the President, but was rejected and returned by that body.[50] Subsequent to these fruitless negotia-

[49] *Canadian Magazine*, Vol. VIII. (Mar., 1897), p. 427.
[50] *Ibid.*, p. 429.

tions, the high tariff legislation of Canada and the United States made it practically impossible to think of reciprocity as a feasible scheme. It was not until 1890 that the idea was resumed by the Canadians. In October of that year, probably actuated by the reciprocity debates in connection with the McKinley tariff, the Hon. Robert Bond, Colonial Secretary of the Newfoundland Government, came to Washington and held conference with Mr. Blaine, then Secretary of State, concerning mutual trade concessions. These negotiations led to the intervention of Great Britain on behalf of Canada. It was proposed by the British Minister that a general discussion of all outstanding questions should take place, the old reciprocity treaty of 1854 to be accepted as the basis for negotiation, and so modified and extended as to make it mutually acceptable to the two countries. Such a conference ultimately took place in February, 1892. Our position, however, was such as to put further negotiations out of the question. Mr. Blaine adopted an attitude highly unsatisfactory to the Canadian representatives, declaring our policy to be the application of reciprocity to manufactured, as well as natural products, and claiming that such a reciprocity agreement, if concluded at all, should apply only to the United States, as against all other competitors in Canadian markets.

The continued agitation for better trade with foreign countries, which was so active in the United States during the decade 1880 to 1890, stimulated the Canadian demand for closer relations with the United States. The liberal party of Canada began in 1888 a vigorous campaign for "Unrestricted Reciprocity," by which was meant a degree of free trade in manufactures, as well as in natural products, between the two countries. This movement was strengthened by the passage of the McKinley bill with its reciprocity provisions. In spite of the unsuccessful negotiations with Mr Blaine in 1891 the liberal party none the less adopted, in 1893

a platform containing a distinct statement of policy on the reciprocity question. That platform read in part as follows:

"That, having regard to the prosperity of Canada and the United States as adjoining countries with many mutual interests, it is desirable that there should be the most friendly relations and broad and liberal trade intercourse between them; that the interests alike of the Dominion and of the Empire would be materially advanced by the establishing of such relations; that the period of the old reciprocity treaty was one of marked prosperity to the British North American colonies; that the pretext under which the government appealed to the country in 1891, respecting negotiations for a treaty with the United States, was misleading and dishonest and intended to deceive the electorate; that no sincere effort has been made to obtain a treaty, but that on the contrary, it is manifest that the present government, controlled as they are by monopolies and combines, are not desirous of securing such a treaty * * * that a fair and liberal reciprocity treaty would develop the great natural resources of Canada."

There were, however, a good many reasons why reciprocity with Canada could not be obtained. It is a very safe statement that the ill success of the negotiations of 1891 was not entirely due to what the liberal platform just quoted chose to call the "misleading and dishonest pretext" under which the Canadian government had gone before the electorate. The real difficulty, as already hinted, was that which has always been encountered, namely, to find some "basis" for the negotiations to proceed upon. It was more then ever difficult in 1891 to find a list of goods in which reciprocity could be arranged for, but which, at the same time, would include no articles whose free admission would injure protected interests.

Canada was not alone, however, in her appreciation of the value of friendly commercial relations with the United States. The general feeling on our own side of the border in favor of reciprocity, which had gained considerable strength just before 1890, contemplated better commercial relations with Canada as well as with other countries. An incident in the reciprocity movement, was the bill (H. R. 678) introduced by Representative Butterworth, December 18, 1889, and providing for

full reciprocity with Canada. This bill was referred to the Committee on Ways and Means, but came to nothing.[51]

So, also, the House resolution introduced by Representative Hitt, December 18, 1889, providing for commercial union with Canada, was referred to the Committee on Foreign Affairs. It, however, was stricken out, and a substitute returned on May 2, 1890. In the substitute, the President was authorized, whenever he might become convinced that the Dominion desired to enter into a commercial union, to appoint three commissioners who should meet similar commissioners from Canada and carry on negotiations.[52]

In line with the two legislative efforts just described was also the action of Senator Sherman. On September 1, 1890, Mr. Sherman introduced an amendment to the McKinley bill in which he sought to establish reciprocity with Canada in coal. He also provided for the appointment of commissioners to investigate and report the best method of extending trade with British North America.[53] This attempt, like its predecessors, was abortive.

The amendment to the McKinley bill, introduced by Senator Hale on September 2, 1890, opened our ports to all the countries of the Western Hemisphere in return for reciprocal advantages; but the amendment, when returned by the Finance Committee, omitted Canada and was ultimately modified so that it became merely the reciprocity provision of the McKinley bill.[54]

In its earliest form, the Wilson bill contained a reciprocity clause providing for the free entry of Canadian agricultural products, in return for similar concessions to us. While this clause was eliminated, a clause was retained providing for reciprocal concessions in regard to agricultural implements.[55]

---

[51] *Congressional Record*, 51st Congress, 1st session, p. 249.
[52] *Ibid.*, pp. 232 and 4172.
[53] *Ibid.*, pp. 9454; also 9543-4.
[54] *Ibid.*, p. 9510.
[55] See discussion of Wilson bill in Chap. VIII. of the present volume.

Among the most interesting efforts to promote better commercial relations with Canada has been the work of the so-called "Joint High Commission," which is still nominally in existence. This was a body appointed by the governments of Canada and of the United States to settle all points in dispute between the two countries. These included reciprocity, the Alaskan boundary, the fishery question, and others. It seemed possible to reach an agreement upon some terms on most points except that of the Alaskan boundary. After the reciprocity problem had been discussed, the boundary question was taken up, the Canadians desiring a port on the North Pacific. This we were unwilling to grant and consequently the deliberations were terminated.

Various efforts to secure Canadian reciprocity were subsequently made and the subject is now frequently taken up by commercial organizations. Nothing, it needs hardly be said, has been accomplished.[56]

[56] One curious episode in the history of our trade relations with Canada is found in the legislation of July 26, 1892 (U. S. Statutes at Large, Vol. 27, p. 267.) This law was entitled "An Act to Enforce Reciprocal Commercial Relations Between the United States and Canada and for other purposes." It authorized the President to suspend free passage through the St. Mary's Falls Canals whenever unjust charges are made by Canadian authorities to American vessels navigating in the St. Lawrence, the Welland Canal and other waterways. (See *Congressional Record*, 57th Congress, 2d session, p. 5274.) It will be remembered that even during the life of the original reciprocity treaty, dissatisfaction had been felt with the treatment accorded American vessels passing through Canadian canals. It was this same dissatisfaction which culminated in the Act of July 26, 1892. Immediately following the passage of this act (Aug. 18, 1892) President Harrison issued a proclamation. In this document certain tolls were imposed on merchandise passing through the St. Mary's Falls Canals and bound for Canadian ports (U. S. Statutes at Large, Vol. 27, p. 1032.) The imposition of these charges induced Canada to reduce the toll imposed on American vessels passing through Canadian canals and February 21, 1893, the President consequently revoked the proclamation of Aug. 18, preceding. (*Ibid.*, p. 1065-6.)

CHAPTER III

RECIPROCITY WITH HAWAII.—1876-1900.

THE second experiment made by the United States with reciprocity as a policy was undertaken in 1876. This was reciprocity with Hawaii which went into effect in that year and continued without intermission until 1900, when we finally annexed the archipelago to this country.

At the outset, it should be understood that reciprocity with a productive area like the Hawaiian Islands, differing in climate and in the nature of their industry from the United States, must necessarily be very different in character from any agreement of the kind previously attempted. Contrasting the general idea of such a reciprocity treaty with that involved in the treaty with Canada, it appears at once that the principles at stake in the two cases have no similarity. The treaty negotiated with Canada has provided for the reciprocal free admission by both countries of commodities produced under substantially similar conditions in each, and was primarily designed to serve the well-being of the consumer. It led to no foreign complications nor was there any reason why the jealousy of other countries should have been excited by so manifestly reasonable and natural an arrangement. But when the idea of reciprocity with the Hawaiian Islands was suggested it became evident that certain entirely new considerations must be taken into account. In the first place, there were political problems of a very important character to be considered. If we did not offer some concessions to the archipelago it might happen that other nations would step in and get the advantage of us by nego-

tiating a treaty of the kind that we had refused. On the other hand, moreover, there were exceedingly difficult economic considerations to be borne in mind. The principal products of the Islands were sugar, rice, and a few other articles which were either produced not at all, or in very limited quantities, within the United States. Moreover, it did not appear that the supply of these articles coming from the Hawaiian Islands was sufficient to meet the whole of the demand afforded by the American market. That being so, trade concessions to the Islands could mean, so far as Hawaii was concerned, merely the opportunity to secure an unlimited market for the output of the local planters, and a guaranteed profit on the sales, inasmuch as the price of such articles would necessarily be fixed by the cost of producing the most expensive portion of the supply. If, therefore, some other country—for example, Cuba—was engaged in turning out goods of the same kind, and if these were needed and must be imported into the United States, Hawaiian producers would evidently be able—supposing that they could produce as cheaply as the Cubans—to profit to the full extent of the difference in tariff rates. It must have been clear, therefore, that concessions to Hawaii could not possibly result in lower prices to our consumers, and that they must necessarily mean an absolute loss to the government in the shape of duties remitted by lowering the tariff. It might be good policy to offer these concessions, provided we could get satisfactory reductions in return for them, but, in any event, whatever was obtained must be directly paid for by American purchasers of Hawaiian goods. Evidently the Islands were not likely to take from us any large quantity of agricultural products, and the plain inference must have been that the advantages gained by them from us could be compensated only by giving us an opening for our manufactures, or by according us political advantages which, whatever their value might be, were actually desired at Washington. The situation was

evidently very different from that which existed in the case of trade with a country like Canada, from which we might or might not import largely and to which we exported substantially the same kind of goods we imported. Thus the problem of remitting duties charged on Hawaiian imports might be solved in either of two ways: reciprocity or annexation.

The plan of annexing Hawaii had been mooted at various times before reciprocity was seriously thought of. The Islands very early came into close relations with the United States, to which they naturally sent their output and from which it was easiest for them to draw supplies of manufactured goods. As British trade expanded and the increasing population of Australia made that country a factor of increasing importance in the international market, we began to find that we did not so exclusively control the commercial affairs of the Islands as we had been wont to do. It was feared by many American statesmen that the Archipelago might practically become a British possession, owing to increasingly close relations with Australia and through it with Great Britain.[1]

After the Civil War had closed and the Canadian treaty, owing to the circumstances already detailed, had been abrogated, the idea of reciprocity with other countries seemed to take a new hold. Even a decade earlier, when the Canadian negotiations were still fresh, an agreement with Hawaii had actually been concluded. This was on the 20th of July, 1855, the treaty having been negotiated by Secretary Marcy, who had successfully carried through the Canadian arrangements, and Judge Lee, representing the King of the Hawaiian Islands. The Senate was apparently favorable, but the whole subject was pushed aside by the pressing affairs of the time, so that nothing was actually done. Mr. Marcy's successor, however,

[1] Schuyler, "American Diplomacy," New York, 1886, pp. 441-445.

kept the matter in mind. During the Civil War, it was once or twice considered by Secretary Seward, but no direct steps were taken until 1867. On the 1st of February of that year, Mr. McCook, our Minister at Honolulu, was informed of our desire to revive the reciprocity treaty of 1855, which, as we have just seen, had failed of ratification. It was distinctly stated, however, that the terms must be more liberal to the United States than those formerly proposed. Acting in accordance with these instructions, Mr. McCook, on the 21st of May, 1867, negotiated with Mr. Harris, who represented the Hawaiians, a reciprocity treaty. The final arrangements were made at San Francisco, but, although the document was approved by the President, and was ratified by the Hawaiian Government on July 30, it was neglected by the Senate. Being received in July, it was not reported until February, 1868, and no action upon it was taken until two years later when (June 1, 1870) it was rejected.

While the subject was still under debate, in 1867, President Johnson, in compliance with a resolution of the Senate, had transmitted to that body a report from Hugh McCulloch, then Secretary of the Treasury, concerning reciprocity with the Hawaiian Archipelago.[2] Mr. McCulloch freely conceded that the establishment of reciprocal trade between the two countries would reduce the revenue derived from imports by the United States, but he also expressed the opinion that such an agreement would tend toward an enlargement of national commerce. He pointed out statistically that trade with the Islands was, at the time, of small importance and consisted chiefly in an exchange of our agricultural, forest and manufactured products for unrefined sugar and molasses. The quantity of such sugar and molasses imported into the United States, during the seven years preceding Mr. McCulloch's

[2] Senate Executive Document, 39th Congress, 2d session, No. 20, p. 5, for President Johnson's message of February 6, 1867, communicating McCulloch's report.

report, was only about one per cent. of our total importation of those articles. Trade was chiefly confined to the Pacific States and the revenue derived from it was insignificant, amounting, during the seven years in question, to little more than $700,000. Nothing was done at the time, and it is doubtful whether the political considerations at stake would have induced us to enter into the negotiations in serious earnest, had it not been for certain important private interests which began to make themselves felt in favor of reciprocity. These influences proceeded chiefly from American capitalists who had become largely interested in sugar lands in the Islands.[3] This ownership was estimated substantially as follows, at the time when the effort was made (successfully) to renew the earlier treaty, in 1883.[4]

Statement of Sugar Plantations in the Hawaiian Islands—1883.

Estimated value of Sugar Interests in the Kingdom	$15,886,800
American	10,235,464
British	3,180,050
German	970,046
Hawaiian	641,240
Chinese	560,000

It was, in fact, only after considerable effort on the part of the President that any action whatever was taken on the treaty of 1867, for the interests in the sugar States, which had sprung into greater importance immediately after the Civil War, were able to stave off annexation and to hinder even the consideration ofa reciprocity treaty.[5] Hawaii, however, was suffering more and more from economic disorders. The population was

[3] As early as 1866, Minister McCook had written to Secretary Seward as follows:

"There is still another class—the planters of the country. They are nearly all Americans, both in nationality and sympathy; they are the better class of the residents of the Islands, possess its substantial wealth, control its resources and annually ship * * * sugar to the Pacific coast of the United States." Senate Executive Document, No. 6, p. 134, 52d Congress, 2d session.

[4] Senate Report, No. 76, Pt. I., 48th Congress, 1st session.

[5] The history of the early negotiations may be found in Senate Executive Document, No. 77, 52d Congress, 2d session, which contains a message from the President transmitting correspondence respecting our relations with the Islands, 1820-1893.

declining and it was proving difficult to keep the incomes of the Islands up to their former level. The situation was sketched by Henry A. Pierce, American minister at Honolulu, in a letter to Hamilton Fish, then Secretary of State, under date of February 10, 1873.[6] Mr. Pierce wrote as follows:

"The subject now uppermost in the thoughts of the Hawaiian officials, planters, and merchants relates to the measures needed to be taken to stop the decline of the Kingdom in its population, revenue, agricultural productions and commerce. The panacea for the cure of these evils, in their opinion, is to be had by effecting a reciprocity treaty with the United States. This, notwithstanding repeated failures heretofore * * * to obtain one. Success therein is now hoped for by offering to the United States, a *quid pro quo,* the cession of the sovereignty and proprietorship of the spacious land-locked, easily defended harbor or estuary known as Eva or Pearl River, in this Island, ten miles distant from Honolulu, and also to include the territory surrounding it, say ten miles in all."

Thus the subject still occupied an important place in Hawaiian thought and the only question seemed to be whether annexation to the United States or reciprocity with us would be the more practical and desirable. Matters were brought to a head by the death of the Hawaiian King, on February 3, 1874, and the intervention of British and American marines in order to restore quiet. The newly elected King, Kalakaua, was strongly favorable to American interests, and in the autumn of the same year visited the United States, one of the main objects of his visit being a desire to promote reciprocity negotiations. This visit was described by Mr. Pierce as highly obnoxious to the English and French representatives in Hawaii, who were desirous of throwing obstacles in the way of any closer relationship between Hawaii and the United States.[7] Their antagonism, however, had no effect. Even before leaving Hawaii, the King had appointed two commis-

[6] *Ibid.*, p. 148.
[7] See letter to Mr. Fish, dated Oct. 12, 1874. *Ibid.*, p. 159.

sioners, Messrs. Allen and Carter, to negotiate a reciprocity agreement. They went to Washington, and after various *pour-parlers* a treaty was signed at that place.

By the terms of this treaty, certain articles were to be admitted free of duty into the United States, and in exchange therefor certain of our goods were to be admitted free into Hawaii. The articles admitted by the United States included various kinds of tropical products, but the most important items were, of course, sugar, molasses and rice. In return for this concession, an imposing list of free articles was made up by Hawaii. It comprised many kinds of manufactures, including agricultural implements. It also took in all kinds of grain and bread-stuffs, building materials, woolen and cotton cloths and other things. It omitted, however, ready made clothing and liquors. [8]

The terms of the treaty were finally agreed upon on January 30, 1875. It was voted by the Senate on the 18th of the following March and was signed by the President on May 31. It had already been accepted by the Hawaiian King, April 17, 1875. Ratifications were exchanged at Washington on the 3d of June, and the document went into effect by proclamation on the 30th of the same month.[9]

The whole question of Hawaiian reciprocity was thoroughly discussed in a report of the Committee on Ways and Means of the House of Representatives. A bill (H. R. No. 612), carrying into effect the reciprocity treaty, had been referred to that Committee for action, and in reporting it favorably it was thought best to review the whole situation. The majority conceded at the outset that, as a revenue measure, the proposition had very little in its favor. No immediate advantage to the United States was apparent, and it was only as a means of stimulating trade that the Committee

[8] See appendix for text of this treaty.

[9] For report of the Committee on Ways and Means concerning the bill to carry the treaty into effect (H. R. 612) see Reports of Committees, 1875-1876, 44th Congress, 1st session, No. 116.

was able to give the treaty its support. Most of the arguments for it were of a negative character. The danger of British influence in the Islands seemed to be of greatest weight, or, as the report stated:

"The English Government and people are always on the alert to increase their commercial advantages. Their vast Pacific possessions, already of incalcuable value, require a larger supply of sugar for consumption than can now be supplied, hence their interest in securing a monoply of this trade. * * * The producing interest of the Islands has been for years in a depressed state, but it is thought that the treaty will give an impulse to the business, and although it reduces their revenues from customs and imposes upon them direct taxes, they prefer to try this rather than to seek relations with any other country. * * * In addition to these great possessions in the South Pacific (New Zealand, Australia, etc.), Great Britain has British Columbia in the North Pacific, so that should she now acquire the Sandwich Islands she would have a perfect cordon around the Pacific States. These Islands are the only interruption to the chief control." (*Ibid.*, pp. 7, 11.)

Precisely in line with this dread of Great Britain was the claim that reciprocity would enable us to secure and maintain a political control of the Islands which would be of great advantage to us should we, at any time, find it necessary to assume charge of them.

The argument of the majority was not strong on the commercial side. It wholly neglected one of the main objections to the treaty, which lay in the fact that it would so largely benefit Hawaiian producers, without at all assisting the American consumer. Of this fact a merit was even made. It was maintained that, under no circumstances, would Hawaiian sugar be likely to find its way to the Atlantic States on account of high charges for transportation. Sugar production would not increase in Hawaii, because population was declining. Even in the Pacific States, it was not to be feared, said the majority, that the sugar market would be "deranged," since, during the fiscal year ending June 30, 1875, the imports of sugar from all countries into these States were but 66,446,470 pounds, while the amount coming into the States from the

Hawaiian Islands was but 17,888,000 pounds, a trifle over one-quarter of the whole importation, and an amount insufficient to affect the price.

Replying to these arguments, the minority laid great stress on the fact that the treaty was a bad bargain. Imports from Hawaii into the United States in 1875 were $1,227,191, while exports to the Islands were $695,364. The revenue to be remitted by giving up the duties on sugar would amount to $456,777. As the minority maintained, we were giving up about one dollar in duties for every dollar of products for which we succeeded in finding a market. The sugar product, they moreover said, was on the increase, and it was anticipated that before the lapse of many years it would reach 50,000,000 pounds annually. Thus, continued the report, a bounty of two and two-fifths cents per pound would be given to the producers of Hawaiian sugar, over and above all other sugars of the same quality. By this means, it would be certain that we should attract to ourselves the whole of the crop of the Islands, cutting off the imports from other places in the Pacific to a corresponding extent. During the seven years for which it was proposed that the treaty should last, the loss of revenue would, it was said, probably aggregate $10,000,000. Neither the American consumer nor the inhabitant of the Hawaiian Islands would, however, be benefited by this tremendous bounty, which would go directly into the pockets of a small body of Americans who had acquired control of the agricultural lands, and who refined sugar after bringing it to the United States. Not more than forty or fifty persons would even thus be benefited, and, owing to the provision that no export duties should be laid on goods shipped from the Islands, an absolute guarantee of the continuance of the bounty was given to the planters. As for the "compensating advantages," which it was proposed to grant to the United States in exchange for the reduction of the tariff, it appeared that of all the lengthy list of articles which were to be freely admitted

to the Islands, a great many were not needed by the inhabitants and consequently would not be imported under any conditions. Others were produced in sufficient quantity at home, and were seldom or never brought from abroad. The articles in which our trade largely consisted, such as liquors and ready-made clothing, which had amounted to about one-seventh of our total exports, were entirely neglected.

The political considerations urged by the majority of the Committee were fully conceded by the opponents of the treaty, but they contended that there was nothing in the agreement to meet the needs of the case. Either a "firm application of the Monroe doctrine," or else annexation, would serve as a remedy for political danger. Annexation would be expensive and full of difficulties, but a resolute foreign policy would assure all necessary security from aggression in the archipelago.

The weak points of the Hawaiian treaty were again very clearly indicated by the opposition to it shown in the debates in Congress. Chiefly, the argument was based upon the fact that inasmuch as the quantity of sugar coming from Hawaii was so very small, it would be impossible to expect a reduction in price as a result of the concessions made to the Islands. This was clearly stated by Mr. Morrison, of Illinois, as follows:

"The import of Sandwich Island sugar is only about one per cent. of the consumption of the United States. It can never exceed five or six per cent. of our consumption; besides, this being an article of such general consumption, the price will not be reduced. Sandwich Islands producers will, therefore, always take the very highest prices in our market, and the American consumer can never be benefited by having the price of his sugar reduced by what they can send to him. Yet the government loses the revenue."[10]

Mr. Morrison also stated certain so-called "sentimental" objections to making the arrangement:

"To increase the product of sugar on the Islands," he remarked,

[10] *Congressional Record*, 44th Congress, 1st session, p. 1491.

"it is admitted there must be more labor. The only labor available is coolie or imported Chinese labor, which is little other than a form of slavery. Do we propose to tax ourselves to encourage this importation of Chinese into the Islands and strengthen this kind of servile labor?" [11]

After all, the practical objection to Hawaiian reciprocity did not apparently lie wholly, or even chiefly, in the theoretical considerations already mentioned—that the treaty would yield no benefit to our consumers and little advantage to our exporters. The main feature of the treaty which disgusted even the men who would otherwise have favored the arrangement, one-sided as it was, lay in the fact that, as Mr. Mills, of Texas, expressed it:

"The first objection is, that it is a gift of four or five hundred thousand dollars to the sugar producers of the Hawaiian Islands." [12]

Yet the belief thus expressed was not the principal objection to the treaty, even from the standpoint of private gain and loss. It was directly charged that the influences behind it were warm in its support not solely because they had already invested their capital in the Islands, and were merely seeking protection for themselves and their investments by endeavoring to open a new market where they would have full sway. It was strongly urged that the treaty was being forwarded by men who desired to make use of it for speculative purposes. The claim was plainly made that large quantities of sugar land, abandoned or undeveloped on account of depressed conditions in Hawaii, had been bought up by American capitalists who desired either to sell it out at a profit after the negotiation of the treaty, or else to earn enormous interest on their investments by working the lands after the business had been rendered profitable. The whole argument based upon this charge was stated by Mr. Kelly, of Pennsylvania, most clearly as follows: [13]

"It (the reciprocity treaty) assumes in my judgment as clearly the aspect and form of a well defined job as any matter which has been

[11] *Ibid.* [12] *Ibid.*, p. 1492. [13] *Ibid.*, pp. 1495-7.

brought before the House during my membership. * * * This question brings us to the 'job': * * * with the exception of three or four, the sugar planters have been eaten up by interest and commissions; * * * their estates have bankrupted them all save the few who associated with foreigners, who gave them capital enough to enable them to escape exorbitant rates of interest and all-consuming commissions. Sir, where the treasure is, there the heart is also, and I have learned to deplore the fact that American citizens can go just beyond our borders, invest their capital and then penetrate these halls, asking us to extend our *favorable* legislation over their *untaxed* foreign investments. * * * These abandoned or undeveloped sugar plantations have been bought up by American capitalists; and it is they who ask us to give, under the guise of a reciprocity treaty, to their foreign and untaxable investments whatever protection the duties on sugar give to the home producer. * * * the relatively small amount those Islands could produce would do nothing to reduce the price by over-stocking the market; and the owners being sagacious business men, would sell at the market price. They would pocket the duty; and the general American market for sugar would regulate the price at which they would sell. * * * The object and intent, the pith and marrow, of this bill is to vote into the pockets of those recreant American citizens the money that we now collect, and will from year to year collect, on Hawaiian sugar, molasses, melado, and sirup of sugar. This is the whole story. They have nothing else to export to us. They and their Hawaiian or Mongolian laborers will want nothing that they do not already take from us. * * * but if this bill passes the duty on that amount, be it what it may, will have been granted as a subsidy to those American citizens who have invested capital in sugar fields, and those Americans who, in order to enable themselves to serve in the court of His Hawaiian Majesty, have denationalized themselves. Into their pockets, and theirs alone, will go the duties that should lessen the burdens of our over-taxed people."

Most speakers freely conceded the idea so strongly urged by the Ways and Means Committee, that by ratifying the treaty and then permitting the American capitalists to go on and gain a foothold in the Islands, we should strongly forward the idea of annexation. Yet, even this was not granted by some. Thus, Mr. Morrison contended:

"It is said that giving reciprocity will favor our annexation of the Islands. Can any supposition be more absurd? * * * The

last thing under such circumstances which the Islanders would desire, would be annexation and the deprivation of all their advantages."[14]

Mr. Morrison further stated the relation of the treaty to American interests:

"There is no protection in this treaty, for there are no American interests to be protected. There is no free trade in it, for there is but little trade of any kind, and that is to be made exclusive for one side. There is no reciprocity in it, for much is given and nothing received." [15]

In spite of the opposition thus manifested, the bill finally passed the House, went quickly through the Senate, was approved by the President and became law. Thus the modifications of duties provided in the treaty went into effect.

It is, of course, a matter of some difficulty to establish just how far the graver charges made against those who were engaged in promoting the Hawaiian treaty are actually founded upon fact. To what precise extent the Hawaiian sugar lands had been bought by outsiders, who then set themselves vigorously to push a reciprocity treaty through our Congress, can, of course, not be stated. It will be seen in a later chapter how identical charges were made with reference to Cuba, when reciprocity with that Island was under debate, during the session of 1901-1902. As regards Hawaii, no authoritative contemporaneous evidence appears to be available. Yet sufficient has been said at a later date to establish practically a moral conviction that the charges concerning the private interests at work in 1875-1876 contained a large element of truth.

We have seen that, prior to 1876, there was little direct investment of American capital in sugar raising in Hawaii. This was due to the depressed condition of the industry. It would be harder to say how extensively Americans acquired titles to land. The missionaries and their descendants, as well as other foreigners, had settled in the archipelago and

[14] *Ibid.*, p. 1491. [15] *Ibid.*, p. 1492.

had either obtained tracts of ground by intermarriage with the natives, or by purchase, or had leased them from the government. That the investment of American capital charged by certain Congressmen had, at all events, not been general, was boldly claimed by the Hawaiian Patriotic League in a statement made many years later.[16] That statement ran, in part, as follows:

"It is an undeniable fact that outside of Mr. Claus Spreckels, of California, no American has ever brought into this country any capital worth mentioning, but many have sent away fortunes made here; most of our present American capitalists outside of sons of missionaries, came here as sailors, or school teachers, some few as clerks, others as mechanics. * * * The local Croesus, American by birth, the banker, C. R. Bishop, came here poor and started his fortune by marrying the wealthiest native princess, whose lands and income allowed him to duplicate it by banking on Hawaiian capital."

It appears clear, however, that these Americans who had thus by accident, or force of circumstances, come into possession of sugar lands prior to 1876 had steadily for some years been possessed by the idea that their fortunes would be made by a reciprocity treaty. Their power in the government of the Islands was constantly increasing; and, as has already been suggested, it had become paramount before the final negotiation of the treaty. After the agreement had been put through, land, of course, rose in value and a speculative era ensued. As one man afterward expressed it:

"The first effect of the reciprocity treaty was to cause a 'boom' in sugar, which turned the heads of some of our shrewdest men and nearly caused a financial crash."[17]

Heavy buying of lands resulted. Mr. Claus Spreckels, a man largely interested in sugar refining on the Pacific Coast, purchased a large interest in the lands of Haiku, Maui and other regions, during the years 1878-1880. In 1879 Mr.

[16] Foreign Relations of the U. S., 1894. App. II., p. 921.
[17] Statement of W. D. Alexander, Surveyor General, before Mr. Blount, Special Commissioner from the United States, July 18, 1893. Foreign Relations of the United States, App. II., p. 647.

Spreckels visited the Islands and outlined an immense irriga tion plan.[18] Other planters also sprang into prominence acquiring titles to land from the original patentees—mainly the government and the chiefs.[19] This whole process wa clearly described at a later date by Albert B. Loebenstein, an engineer, as follows:

Q. "Well, now—the pooling of these lands—who owns them?"
A. "Individuals."
Q. "For sugar culture?"
A. "Yes, and for grazing."
Q. "Did the natives sell it?"
A. "They sold it, and they raised money on it by mortgage, and in some instances lost it by foreclosure."[20]

From the adoption of the treaty, onward, the lands slipped more and more out of the hands of natives into those o foreigners, who were chiefly Americans. The crown land were, for the most part, not sold, but leased on thirty years time and the disposition of the domain thus rented by th government to the planters now forms (since the annex ation of the Islands by the United States) an importan problem in Hawaiian administration. Moreover, an increas ing number of orientals were imported into the archipelago in order to satisfy the demand for labor. The Hawaiian themselves were either too indolent or too well off to b willing to work steadily for wages, and it resulted that fiel labor was chiefly performed by coolies. The conditions thu produced were highly satisfactory to the planters, and coul they have continued under a perpetual reciprocity treaty, wit no disturbance from the natives, it is not likely that annexatio would ever have been advocated from the Hawaiian side. A

[18] "It is now mooted," said the Hawaiian Almanac and Annual for 187 (Thos. G. Thrum, Publisher, Honolulu), p. 28, "that the magnitude of Haiku ditching and extensive plantation is to pale into insignificance before the muc grander scheme of Mr. Claus Spreckels, whereby waters * * * are to b brought to irrigate the extensive plains of Central Maui * * * whereon h expects to produce alone 40,000 tons of sugar per annum to supply his San Fra cisco refineries."

[19] Foreign Relations of United States, 1894, p. 688.

[20] *Ibid.*, p. 872.

will be mentioned at a later point, however, matters assumed a different aspect on account of the growing antipathy to the Americans in the Islands.

In any event it cannot be doubted that the Hawaiian planter was placed in an exceptionally profitable position by the reciprocity treaty. It is easier to ascertain how much went into the pockets of Hawaiian planters, as an aggregate, as a direct result of reciprocity, than to compute their profits in percentages. This gross differential advantage was the amount of the tariff duties lost by the United States. That is to say, supposing that there had been no reciprocity treaty, and that the same amount of sugar had actually been shipped to this country as was sent under reciprocity conditions, the government would have realized, and the planters would have lost, the amount of the duties on that quantity of sugar. This amount of loss or of gain, according to the standpoint from which it is regarded, was as stated on following page.

This estimate, of course, proceeds upon several assumptions. The same amount of sugar might not have been sent into the United States, for the cost of producing it may have been so great that some part of the differential advantage was required in meeting the cost of production. On the other hand, reciprocity might have been secured by Hawaii with some other country. These facts have never been generally recognized in Congress. From time to time the old objections to the treaty have been raised in one connection or another, and it has always been maintained that our tariff reduction to the Islands was the precise equivalent of a gift of that amount to the planters. Thus, for instance, in 1890, during the tariff debates in the House of Representatives, Mr. Gear, of Iowa,[21] expressed the following opinion:

"It is well understood that the sugar plantations of the Sandwich Islands are either owned or controlled, in a large degree, by Americans; it is, therefore, clear to my mind that the people of the United

[21] *Congressional Record*, 51st Congress, 1st session, p. 4390.

Quantities and Values of Sugar and Molasses Imported into the United States from Hawaiian Islands and Estimated Dut Remitted, 1877-1899.*

Year ending June 30	Molasses.		Sugar, Dutch Standard in Color.										Total value sugar and molasses.	Estimated duties Remitted (a
			Above No. 7 and not above No. 10.		Above No. 10 and not above No. 13.		Above No. 13 and not above No. 16.		Above No. 16 and not above No. 20.		Total.			
	Gallons.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	Dollars.	Dollars.
1877...	138,072	23,509	3,980,804	230,155	11,291,315	714,490	10,183,556	737,525	5,186,406	426,303	30,642,081	2,108,473	2,131,982	986,475.
1878...	87,534	14,449	2,437,920	161,922	10,805,283	757,734	12,227,780	963,550	4,897,345	391,224	30,368,328	2,274,430	2,288,879	989,602.
1879...	98,112	14,936	8,174,146	501,850	16,615,686	1,099,164	15,670,564	1,118,118	1,232,673	92,061	41,693,069	2,811,193	2,826,129	1,266,554.
1880...	111,950	19,835	7,793,349	450,030	28,416,596	1,892,737	23,868,886	1,689,061	1,477,493	103,659	61,556,324	4,135,487	4,155,322	1,881,563.
1881...	198,987	35,037	5,373,005	286,707	28,486,589	1,774,952	43,049,613	2,865,362	.....	.....	76,909,207	4,927,021	4,962,058	2,427,777.
1882...	152,700	25,256	3,952,806	182,873	53,228,379	3,416,318	44,973,293	3,026,298	4,027,380	292,595	106,181,858	6,918,084	6,943,340	3,314,938.
1883...	238,773	37,493	5,179,726	243,582	55,797,719	3,553,651	50,921,114	3,385,194	2,234,111	157,606	114,132,670	7,340,033	7,377,526	3,554,139.
1884...	163,347	22,964	.....	.....	78,249,393	4,287,730	44,993,790	2,702,792	1,905,297	117,770	125,148,680	7,108,292	7,131,256	2,959,913.
1885...	71,649	9,054	.....	.....	116,365,606	5,490,517	52,193,920	2,654,762	1,093,257	52,865	169,652,783	8,198,144	8,207,198	3,937,947.
1886...	61,127	7,786	.....	.....	133,638,543	6,275,442	57,331,700	2,856,511	762,932	34,873	191,733,175	9,166,826	9,174,612	4,435,091.
1887...	113,574	14,712	.....	.....	157,390,339	6,535,021	60,740,925	2,713,232	159,571	7,098	218,290,835	9,255,351	9,270,063	5,016,380.
1888...	52,582	6,417	.....	.....	203,137,535	9,119,898	25,402,978	1,140,149	.....	.....	228,540,513	10,260,048	10,266,465	5,007,200.
1889...	48,140	6,148	.....	.....	235,445,211	11,641,490	7,879,472	437,028	.....	.....	243,324,683	12,078,518	12,084,666	5,210,049.
1890...	81,443	9,314	.....	.....	217,674,338	11,139,862	6,782,673	409,966	.....	.....	224,457,011	11,549,828	11,559,142	4,804,447.
1891...	76,019	8,550	.....	.....	169,157,107	7,682,749	138,097,909	5,469,975	.....	.....	307,255,016	13,152,562	13,161,274	b5,544,150.
1892...	51,139	5,911	.....	.....	.....	.....	.....	.....	.....	.....	262,612,405	7,442,047	7,447,958	(b)
1893...	67,324	7,561	.....	.....	.....	.....	.....	.....	.....	.....	288,517,929	8,455,622	8,463,183	(b)
1894...	7,370	653	.....	.....	.....	.....	.....	.....	.....	.....	324,726,584	9,379,317	9,379,970	(b)
1895...	51,879	3,500	.....	.....	.....	.....	.....	.....	.....	.....	274,219,828	7,396,215	7,399,715	(b)
1896...	33,705	1,902	.....	.....	.....	.....	.....	.....	.....	.....	352,175,269	11,336,796	11,338,698	4,535,392.
1897...	26,866	1,529	.....	.....	.....	.....	431,196,980	13,164,379	20,136	705	431,217,116	13,165,084	13,166,613	5,265,751.
1898...	12,100	740	.....	.....	.....	.....	499,766,798	16,660,109	10,097	303	499,776,895	16,660,412	16,661,152	13,083,546.
1899...	15,300	542	.....	.....	.....	.....	462,299,880	17,287,603	123,720	5,040	462,423,600	17,292,723	17,293,265	12,851,667.

(*a*) Estimate based on sugar not above No. 13 @ 2.12 cents per pound, since 1883.
(*b*) Duty remitted calculated only to April 1st, 1891, when all sugar was admitted free.
* Monthly Summary, Commerce and Finance, Treasury Bureau of Statistics, November, 1899, p. 1375.

States are being taxed indirectly for the benefit of the owners of those plantations, by reason of the fact that while Sandwich Island sugar comes in free, it is at once brought up to the level of duty-paid sugar. * * * In plain words, while we are ostensibly importing free sugar from the Sandwich Islands, we are in reality making a 'free gift' of about $5,000,000 a year to the owners of the sugar plantations in these Islands. It is as much a 'free gift' to them as if we were to-day to vote them this amount from the Treasury of the United States, for the reason that the sugar coming in from those Islands free of duty is brought up to the level of duty-paid sugar."

Of course, any conclusions regarding profits accruing from Hawaiian sugar culture must be largely dependent upon the facts concerning the use of improved machinery, etc. The character of the machinery used gradually grew better, but it must also be remembered that the price of sugar declined. While the profits reaped by Hawaiian producers in 1898-1900 cannot, therefore, be taken as strictly representative of profits during a period twenty years earlier, they may, nevertheless, be cited as throwing light on the subject. In the following table, the profits of some of the companies operating in Hawaii, with cost of production, etc., are stated from an official source:[22]

Cost of Producing Cane Sugar in Hawaiian Islands in 1898.

Company.	Total Product. of sugar in Tons.	Total Profits for season.	Cost per ton of sugar.	Profits per ton of sugar.
No. 2	7,763	$199,998	$44	$25
" 3	8,400	276,227	35	34
" 4	6,914	243,557	34	35
" 5	4,932	138,259	41	28
" 6	6,198	198,991	37	32

The names of the companies are withheld.

Some idea of the extent of the profits realized in certain cases may also be gathered from statements made about in-

[22] House Document, No. 699, 56th Congress, 1st session. Progress of the Beet Sugar Industry in the U. S. in 1899. Government Printing Office, 1900. Appendix, p. 120.

dividual plantations, whose conditions of production, etc., were reviewed in the document just cited. Speaking of the situation on a plantation, the name of which was withheld, the statement was made that:

A "plantation which will be designated No. 7, produced 20,000 tons of sugar at a cost of $22.50 per ton. * * * The plantation started with an original capitalization of $1,000,000. The profits of the concern were so great that the original capital stock was taken up and in its place $5,000,000 of stock was issued: that is, the original capital was multiplied by 5, making $5,000,000 paid-up capital. Rating the selling price of sugar at $69 per ton, * * * and the cost of production at $22.50, this plant would yield a profit of nine per cent. on its expended capital."

The question might well be raised how far such profits were exceptional and how far they were the rule. This could be ascertained only by a complete census of the plantations of the Islands, which, of course, was impracticable. The rate of profit, however, obtained from the same selected plantations studied by the compilers of the government report already referred to (p. 121), was as follows:

PROFITS OF SOME HAWAIIAN SUGAR COMPANIES IN 1898.

Company.	Capital stock.	Total Profits.	Per cent. of Profit.
No. 2	$600,000	$199,998	33 1-3
" 3	500,000	276,227	54¼
" 4	750,000	243,557	32.47
" 5	750,000	138,259	18.43
" 6	2,000,000	198,991	9.94½

That the Hawaiian treaty had very much the effect upon the production of sugar in the Islands, that had been anticipated for it by its opponents, is clear from a bare inspection of the sugar trade which arose under it. Our imports of sugar from the archipelago aggregated only 30,642,081 pounds, of a value of $2,108,473, in 1877. That figure remained substantially unchanged in 1878, but took a strong upward trend

in 1879, increasing by about a third in quantity and by a trifle less than that in value. This again grew by fifty per cent. of its own amount in 1880. By 1883, when the discussion over the renewal of the treaty arose, we were importing 114,132,670 pounds of Hawaiian sugar, valued at $7,340,033. Thus an increase of nearly 300 per cent. in quantity, and of about 250 per cent. in value, had occurred in our sugar imports during those years.

It is worth noting that sugars above No. 16 Dutch standard actually fell off, while those below No. 10 increased only slightly, and at the close of the period were not much above what they were at the outset. In 1883, the estimated amount of duties remitted on imports of Hawaiian sugar, and hence lost to the United States, aggregated $3,554,139.

The hostility of Great Britain and Germany to any steps which would tend to give to the United States a larger measure of control in the Hawaiian Islands has already been observed. It was natural, therefore, that the negotiations on reciprocity were regarded with anxious eyes by these two countries, and that international difficulties immediately threatened. Presently, the different interpretations given to the "most favored nation clause" by Europeans and Americans came into sharp contrast. Some difficulty had been encountered with Great Britain at the outset. A "most favored nation clause" had been incorporated into the treaty signed between that country and Hawaii in 1852. Under this, it was claimed, any privileges granted by Hawaii to the United States were *ipso facto* extended to Great Britain. Germany, likewise, was disposed at first to take a similar view. Mr. Carter, however, acting as Hawaiian Commissioner, succeeded in overcoming the claims of both these governments, although at a considerable cost. After some discussion, England proposed a compromise by which a duty of ten per cent. was to be assessed on those goods included in the free list described in our treaty whenever such goods should enter the Hawaiian

Islands from England. The original claim of the British Government to privileges similar to those granted to the United States had received considerable support in the Hawaiian legislature, but the affair was finally settled on the basis of a ten per cent. compromise. Not until there had been a change of ministry did we succeed in maintaining the contention that the privileges for which we had bargained were exclusive, and that they must not be impaired by similar concessions to other countries. The claim of Germany having, as it did, much less foundation than that of Great Britain, was rejected without compromise. Our views in the matter were very clearly stated by Mr. Blaine in a letter written at a later date, [23] in which he used the following language:

"It would be an unnecessary waste of time and argument to undertake an elaborate demonstration of a proposition so obvious as that the extension of the privileges of this treaty to other nations under a 'most-favored-nation clause' in existing treaties would be as flagrant a violation of the explicit stipulation as a specific treaty making the concession. * * * The Government of the United States considers this stipulation as of the very essence of the treaty and cannot consent to its abrogation or modification directly or indirectly. * * * In the event, therefore, that a judicial construction of the treaty should annul the privileges stipulated, and be carried into practical execution, this government would have no alternative, and would be compelled to consider such action as the violation by the Hawaiian Government of the express terms and conditions of the treaty, and with whatever regret would be forced to consider what course in reference to its own interests had become necessary upon the manifestation of such unfriendly feeling."

It was certainly to be expected that there would be strong opposition to the renewal of the reciprocity treaty at its expiration. Most of the objections of those who opposed it had been verified during its seven years' life. When, in 1883, the subject came up again in the House of Representatives it was possible to reiterate all of the earlier arguments against

[23] Senate Miscellaneous Documents, 49th Congress, 1st session, Vol. IX., chapter III., section 62, or, Wharton's "Digest of International Law," Vol. I., pp. 423-4.

the agreement, fortified by experience. In support of the treaty, could be urged only the familiar considerations concerning the political and strategic importance of the Islands. Even those who favored the continuance of the Hawaiian treaty could not bring themselves to support it in an unmodified form. The strongest thing that could be said was that it should not be wholly abrogated, but that modifications should be introduced into it, such as would obviate the evils which had given such grounds of complaint. In a report upon the resolution to extend the treaty, submitted by Mr. Kasson on behalf of the Committee on Foreign Affairs,[24] it was freely stated that the importation of low grades of unrefined sugar below the Dutch standard of color had wrought an injustice to refiners, and it was conceded that this abuse should be remedied. Further, the progress of annexation sentiment was seen in the argument that, inasmuch as the main object of the treaty was the maintenance of our influence in Hawaii, some stipulations looking to naval control over that part of the Pacific ought to be inserted. Finally, it was granted that in the case of sugars subject to reciprocity the fineness and grade ought to be determined by their percentage of absolute fineness and clarification instead of by the existing Dutch standard of color.

In the minority report, much was made of the fact that the importation of low-test sugar had violated the terms of the agreement. Another charge was that much more sugar came to the United States from Hawaii than was actually produced there. It was hinted that illegitimate importations from China and from the Philippines had been made for the purpose of re-exportation to the United States. This claim was based upon the testimony of Treasury agents before the Committee on Foreign Affairs in February-March, 1882. The minority closed by recommending the passage of a resolution calling upon the President to make an investigation of the averred frauds

[24] For report see House Report, No. 1860, 47th Congress, 2d session, 1883, parts 1 and 2, 12 pp.

which had taken place under the treaty with Hawaii. The majority of the Senate Finance Committee, on the other hand, pleaded for the continuation of the treaty on the familiar ground of strategy and defense, but it suggested a somewhat new line of argument by the claim that the close commercial relations with the archipelago had furnished many American citizens with work and industrial opportunities. "American capital to the extent of $20,000,000 at least," said the Committee, "has found profitable and permanent employment in the Hawaiian Islands since the treaty of 1875 went into effect. The interest and profit on this sum will average ten per cent. per annum, yielding $2,000,000 to our people." The loss of revenue on Hawaiian imports was made light of because of its insignificance as compared with the revenue lost on other duty-free articles. Of all imports admitted without duty into the United States the total for the fiscal year ending June 30, 1883, was $206,913,289. Under the treaty there had been admitted from Hawaii $8,029,835 without payment of tax. At the same time our exports to the Islands were $3,811,913. On the excess of imports over exports, thus amounting to $4,217,922, the amount of tariff lost, it was said, came to an inconsiderable amount. As for the unfavorable balance of trade thus indicated, and of which so much has been heard in contemporary discussion, the Committee argued that the interest due us on the $20,000,000 of American capital invested in the Islands amounted to $2,000,000. Freights, insurance and handling charges due us might be put down at $11,841,748, on which a profit of $1,184,174 might be calculated at ten per cent. Commissions earned by Americans were computed at $592,087, and a like amount of profits presumably earned by American merchants was added—a grand total of $4,368,348. From this it resulted that no coin was likely to be shipped to Hawaii. The unfavorable balance of trade, in fact, merely represented an amount which went into the pockets of Americans to whom it was due. It was unfortunate that

this ingenious computation was not based upon statistical investigation, since it appeared to be little more than a gratuitous hypothesis. Stripped of its verbiage, the report was merely a plea for the continuance of an arrangement under which the large profits said to be earned by "our own people" were paid to a little group of planters and producers very limited in number and utterly selfish in their attitude toward the whole question. One thing that was of special interest throughout the whole discussion was the freedom with which was granted the proposition that the American consumer derived actually no benefit from the arrangement. "The market was not disturbed." In other words, the Hawaiian producer was able to appropriate the surplus guaranteed to him by the differential rate—this was the main strand of the argument in behalf of continuing our commercial relations with Hawaii on the existing basis.

In the Senate, too, a growing hostility to the idea of reciprocity with Hawaii was manifested when the effort to renew the treaty became vigorous in 1883. A strong minority opposed its renewal. From the Senate Committee on Finance came a vigorous protest when a resolution (S. Res. 122) providing for such renewal was reported. The Committee pointed out [25] that the treaty had resulted in artificially stimulating the growth of Hawaiian sugars. Prior to its adoption our annual imports had been 15,000,000 pounds of low grade, with a duty of $500,000. In 1883, they maintained, there was every prospect that the lands then under cultivation, together with what was evidently available and ready for exploitation, could easily supply a crop of 350,000,000 pounds. Nor was this all. The charge was again renewed that much sugar was imported into the Islands from China and India and was then re-exported to the United States as a domestic product. The Committee had, however, apparently learned comparatively

[25] Senate Report, No. 1013, 47th Congress, 2d session.

little wisdom from its study of sugar production. It seemed to have caught the fever for sugar bounties, then prevalent in Europe, for it wrote:[26]

"Instead of throwing away this vast sum [the amount of revenue lost by admitting Hawaiian sugar free] upon the temporary sojourners in remote islands of the Pacific, where by no possibility can it confer any future advantage to our own country, would it not have been wiser to have bestowed the whole of this sum as a premium on sugars produced at home? * * * The beet sugar production throughout Europe was established by direct encouragement, granted at first by Napoleon to the home producers."

The determined opposition thus manifested toward renewal, coupled with general Democratic hostility to reciprocity, sufficed to suspend all effort in that direction. The new treaty was not actually concluded until December 7, 1887, and it is questionable when it would have reached the final stage of ratification had it not been for the support of the Executive.

It is important to observe that President Cleveland, in spite of his general opposition to reciprocity treaties negotiated with countries lying outside the confines of our own continent, did not adopt the same attitude of strenuous antagonism to the renewal of the Hawaiian agreement that had been shown by him in reference to other proposals of the sort. His attitude was clearly set forth in his annual message of 1886 when he urged the adoption of the Hawaiian treaty in the following terms:

"I express my unhesitating conviction that the intimacy of our relations with Hawaii should be emphasized. As a result of the reciprocity treaty of 1875, those islands, on the highway of Oriental and Australasian traffic, are virtually an outpost of American commerce and the stepping-stone to the growing trade of the Pacific. * * * Our treaty is now terminable on one year's notice, but propositions to abrogate it would be, in my judgment, most ill-advised. The paramount influence we have here acquired, once relinquished, could only with difficulty be regained, and a valuable ground of vantage for ourselves might be converted into a stronghold for our commercial com-

[26] *Ibid.*, p. 3.

petitors. I earnestly recommend that the existing treaty stipulations be extended for a further term of seven years."

It thus appeared that in the case of Hawaii, President Cleveland modified his prejudice against reciprocity on the express ground that the treaty with that country had enabled us to gain an important political advantage in the East as against certain of our rivals in the competition for trade. Mr. Cleveland's apparently altered opinion concerning reciprocity in the case of Hawaii was in no sense an abandonment of his general attitude of opposition to the policy as such. It was only on military and strategic grounds, including in the latter term commercial strategy, that President Cleveland viewed the reciprocity treaty with Hawaii in an exceptional light. This is of importance because of the claim frequently made that the reference to Hawaii already quoted from Mr. Cleveland's message indicated a leaning toward reciprocity, as a policy.

Thus seconded, the treaty of renewal was finally approved by the Senate, January 20, 1887, was ratified by the President on the 7th of the following November and by the Hawaiian King, October 20, of the same year. The ratifications were exchanged at Washington, November 9, and on the same day the long-delayed document was at last proclaimed. [27]

Certain articles supplementary to the treaty had been passed by the Senate in executive session on December 6, 1884. [28] In the form in which it was finally adopted, the treaty

---

[27] Senate Executive Documents, No. 77, 52d Congress, 2d session, p. 166.

[28] Senate Miscellaneous Documents, 50th Congress, 1st session, No. 64. This document contains the report of the Committee on Foreign Relations on a resolution submitted in executive session calling for copies of official correspondence concerning the ratification of the treaty between Hawaii and the United States. The treaty as finally adopted ran as follows:

"Supplementary convention to limit the duration of the convention respecting commercial reciprocity between the United States of America and His Majesty the King of the Hawaiian Islands concluded January 30, 1875."

ARTICLE I.

"The high contracting parties agree that the time fixed for the duration of the said convention, shall be definitely extended for a period of seven years from the date of exchange of ratifications hereof, and further, until the expiration of twelve months after either of the high contracting parties shall give notice to the other of its wish to terminate the same, each of the high contracting parties being at liberty to give such notice to the other at the end of the said term of seven years or at any time thereafter."

was extended for another period of seven years and was to remain in force thereafter until one of the contracting parties should give notice of its desire to terminate it. In such case, the agreement was to expire twelve months after notice. Moreover, the bait, which it had earlier been proposed by Hawaiian interests to offer to the United States, was now demanded by this country. It was stipulated in the final draft that we should be given a coaling and repair station in the harbor of Pearl River. We thus acquired a military foothold in the Islands as an additional compensation for the free sugar and free markets which we granted.

The debates in the public press and the general agitation concerning reciprocity, which, as will be seen in a future chapter, acquired peculiar acuteness during 1883-1885, combined shortly after 1884 with the effort for the renewal of the Hawaiian treaty to force the peculiar nature of that document upon public notice. A strong party grew up in the United States opposed to Hawaiian reciprocity and also to all reciprocity of a kind which involved one-sided concessions like those of the treaty in question. The views of this group were clearly stated by Mr. Morrill, in a resolution offered by him when the reciprocity question was first beginning to assume a serious phase. This resolution introduced in the Senate January 7, 1885, ran as follows:[29]

"*Resolved,* That so-called reciprocity treaties having no possible basis of reciprocity with nations of inferior population and wealth

ARTICLE II.

"His Majesty the King of the Hawaiian Islands grants to the Government of the United States the exclusive right to enter the harbor of Pearl River, in the Island of Oahu, and to establish and maintain there a coaling and repair station for the use of vessels of the United States, and to that end the United States may improve the entrance to said harbor and do all other things needful to the purpose aforesaid."

ARTICLE III.

"The present convention shall be ratified and the ratifications exchanged at Washington as soon as possible.

"In witness whereof the respective plenipotentiaries have signed the present convention in duplicate, and have hereunto affixed their respective seals.

"Done at the City of Washington, the 6th day of December, in the year of our Lord 1884."

[29] *Congressional Record,* 48th Congress, 2d session, p. 506.

involving the surrender of enormously unequal sums of revenue, involving the surrender of immensely larger volumes of home trade than are offered to us in return, and involving constitutional questions of the gravest character, are untimely, and should everywhere be regarded with disfavor."

Later, in speaking of the same subject, Mr. Morrill remarked: [30]

"Such treaties are unrepublican in their origin and character, having been sternly and unanimously rejected by the earlier statesmen of our country, and because they obviously tend largely to the increase of the executive power by making Congress the obedient registers of its will."

This growth of hostile sentiment in America was, however, more than offset by pressure for closer relations with us due to the constantly increasing tendency of the Hawaiian Government to slip more and more into the hands of the so-called "missionaries" and of the American capitalists in the Islands. The annexation idea was, in fact, stimulated by the growing feeling in the United States that reciprocity of the Hawaiian variety was unjust. The planters saw that their differential advantage could not be defended on economic grounds, and they likewise foresaw the coming of a time when they would either have to surrender their claims or secure annexation to the United States. As a result of these facts, the political situation in the archipelago speedily developed to a very critical point. The antipathy of the natives who were revolted by the attempt to exploit their labor on the plantations, and who disliked the constantly increasing numbers of orientals, culminated in an "anti-missionary" movement which came to a head in 1886. This was followed by a reactionary revolution in 1887, set on foot by the sugar planters, it was supposed, but meeting with only partial success. Two years later occurred an effort at a native reaction, but this attempt met with total failure. The measure of power regained by the planters in 1887 partially reassured the annexationists, whose fears

[30] *Ibid.*, p. 513.

were, moreover, quieted by the final exchange in the same year of ratifications of the new treaty with the United States. Curiously enough the passage of the McKinley act of 1890, in which the duty was taken off from raw sugar and the exceptional advantage enjoyed by the planters thus destroyed, almost coincided with a movement which again put the native party into control of the government. Thus a double impetus was a second time given to the annexation schemes of the planters. They not only feared native rule, but they suddenly saw their prosperity snatched away, in prospect at least, by the McKinley act.[31]

The readoption of the Hawaiian treaty had carried it forward, of course, for a period of seven years subsequent to 1884, the date from which its life was reckoned, although, as we have seen, ratifications were not exchanged until 1887. The agreement would thus expire in 1891 and would then continue subject to abrogation on one year's notice from either party. When the McKinley bill came up for discussion in the House, it was feared by some that it would have the effect of abrogating the Hawaiian reciprocity arrangement, for it contained a clause repealing all acts and parts of acts inconsistent with the bill itself. Whether this would have operated as was feared is, of course, a legal question which could have been determined only by actual test before courts of law. The question, however, did not come to this acute stage, for a special bill designed to set aside any such fear by directly providing against it was presented. The clause of the McKinley bill from which difficulty was expected was the usual clause inserted in bills of all kinds and had no exceptional meaning. That such was the case Mr. McKinley himself bore evidence. On December 4, 1890, he introduced the bill just referred to, which was reported favorably by the Committee on Ways and

[31] A review of the politics of the Hawaiian situation from the native standpoint may be found in the statement of the Hawaiian Patriotic League in Foreign Relations of the United States for 1894, pp. 916-919, etc.

Means on January 13, 1891. In recommending it, the Committee stated that "the purpose of this bill is to provide that the commercial treaty with the King of the Hawaiian Islands shall not be impaired by the act approved October 1, 1890."

It also significantly hinted that:

"It is believed in some quarters that the act alluded to may abrogate the Hawaiian treaty. There are special reasons for the maintenance of the treaty at this time."

These special reasons were known to be the maintenance of the Pearl Harbor concession, which was of particular importance, in view of the annexation sentiment then so strong in Hawaii.

The bill came up for debate on February 16, 1891, and finally passed the House on the same day, when Mr. McKinley himself explained that:

"The only purpose of this resolution is to make certain that nothing in the tariff act of 1890 shall be held to impair the treaty which the United States has with the Hawaiian Islands." [32]

Thus, Congress did everything in its power to maintain our grasp upon the archipelago, while at the same time riding roughshod over the economic interests of the sugar planters in order to secure a basis for new reciprocity treaties, and at the same time to placate the sugar refining interests of the Atlantic coast, which had long regarded without envy the cheap and abundant supplies of raw sugar shipped from Hawaii to the Spreckels refineries in California.[33]

The fact that the McKinley bill admitted sugar free was, of course, a severe blow to the men who had been profiting so largely from the operation of the treaty. It placed sugar on the free list, as we shall see in a subsequent chapter, and

---

[32] *Congressional Record*, 51st Congress, 2d session, p. 3620.

[33] The Bill itself read as follows: "Be it enacted, etc., That nothing in the act approved Oct. 1, 1890, entitled 'An Act to reduce the revenue and equalize duties on imports and for other purposes,' shall be held to repeal or impair the provisions of the convention respecting commercial reciprocity concluded January 30, 1875, with the King of the Hawaiian Islands, and extended by the convention proclaimed Nov. 9, 1887; and the provisions of said convention shall be in full force and effect as if said act had not been passed."

the duty it imposed on rice from other countries formed a very poor compensation for the differential advantage which had been enjoyed by the Hawaiian sugar producers. The planters, indeed, early protested most vigorously against the action proposed in the McKinley bill:

"In the opinion of all well-informed persons here," wrote Mr. Stevens, our Minister to Hawaii, to Mr. Blaine, then Secretary of State, under date of May 20, 1890,[34] "to place sugar on the free list would be the virtual annulment of the reciprocity treaty and the destruction of the prosperity of the Islands. Thus it is easy to understand why there is so deep an anxiety among business men of Hawaii as to the present aspect of the sugar question in Congress. They clearly understand that it is a matter of life and death to the Hawaiian kingdom."

Enough has already been said concerning the effect of the McKinley act, with its treatment of sugar, upon the treaty as such. The real difficulty which troubled the minds of Hawaiian business men was, of course, no quibble over international law, but the other fact suggested by Mr. Stevens—that the new attitude towards sugar would destroy the prosperity of the Islands. The protest of the American interests in the archipelago availed nothing, and, as already indicated, the formal life of the agreement came to a close about a year thereafter.

As early as September, 1891, therefore, Minister Stevens reported a project for the revision of the reciprocity treaty, and late in the same year Mr. Mott Smith was appointed Special Envoy from Hawaii to the United States to negotiate such an agreement as would somehow restore the Islands to the favorable position they had lost.

Mr. Smith's mission proved to be without result. There was no way in which the sugar of the Islands could regain its former exceptional market in the United States, nor could Hawaiian producers enjoy the benefit of the bounty which

[34] Foreign Relations of the United States, 1894. Affairs in Hawaii, p. 320.

we had accorded to our own planters, inasmuch as the Islands did not lie within our jurisdiction. It was this situation which in part led to the vigorous annexation movement that culminated in the revolution of 1892-1893. The time which had elapsed since the McKinley act had not, however, been long enough, nor had the suffering of the planters been sufficiently severe to produce such a movement unaided had there been no other causes for it. We have seen that annexation had long been a favorite idea with a large party in the Islands and with many persons in the United States. This sentiment was stimulated by the critical state of things produced or threatened by the treatment accorded to sugar in the McKinley act. Without going into the intricacies of Hawaiian politics, it is enough to say that on January 17, 1893, the Hawaiian monarchy was overthrown and a provisional government formed with Sanford B. Dole as President. The first act of the new government was to seek for annexation with the United States and a treaty to that effect was negotiated in Washington, February 14, 1893, but failed of ratification.[35]

It was evident, however, that offensive action on the part of Hawaii would be useless. It would have availed nothing to give notice of the termination of the reciprocity treaty. Moreover, the political situation had been changed by the election of President Cleveland in 1892, and the evident intention of his administration to abandon the idea of reciprocity. While the administration was favorable to free raw materials it was hostile to the idea of the sugar bounty, which had had so disastrous an effect on our national finance. Besides, a duty on sugar would be productive and would give a much needed relief to the Treasury, already so severely strained. It was not hard to foresee, therefore, that Hawaii stood a good chance of recovering her old position in the sugar market should she simply remain quiet and give no offense to the

[35] *Ibid.*, p. 197.

United States. The provisional government understood these conditions perfectly well, and with the passage of the Wilson tariff ensued an era analogous to that which had occurred prior to the adoption of the McKinley act. But the annexation movement had gone too far to be checked by the restoration of satisfactory economic conditions. Moreover, Hawaiian producers did not feel like taking the chance of another era of free trade in sugar, during which they would be unable to get the advantage of any bounty that might be handed out to domestic producers in compensation for duties taken from them. They continued actively to stimulate annexation sentiment in the United States and in this they were cordially seconded by the sugar refining interests of this country. Whether annexation could have overcome the older objections to it, if unaided by any outside circumstances, may be doubted. At all events, that such circumstances did forcibly forward the annexation movement is now notorious. From the time that we entered upon the Spanish war with its almost inevitable consequences in the way of territorial expansion, the acquisition of Hawaii was a foregone conclusion. In 1900 we formally annexed the archipelago, and the conditions as to trade, which had practically obtained prior to that time, now formally prevailed by virtue of the fact that the Islands had become a part of our domestic territory. Thus the prediction that reciprocity with Hawaii would ultimately lead to annexation was nominally, at least, realized.

It is hardly necessary to suggest that the annexation of Hawaii was not accomplished without much political scheming, both on the part of those who opposed, as well as those who favored, annexation. New interests had arisen in the United States during the decade 1890-1900. The sugar situation had assumed an aspect very different from anything it had presented in previous years. An entirely new set of forces was brought to bear upon Congress when annexation finally became a question of immediate moment.

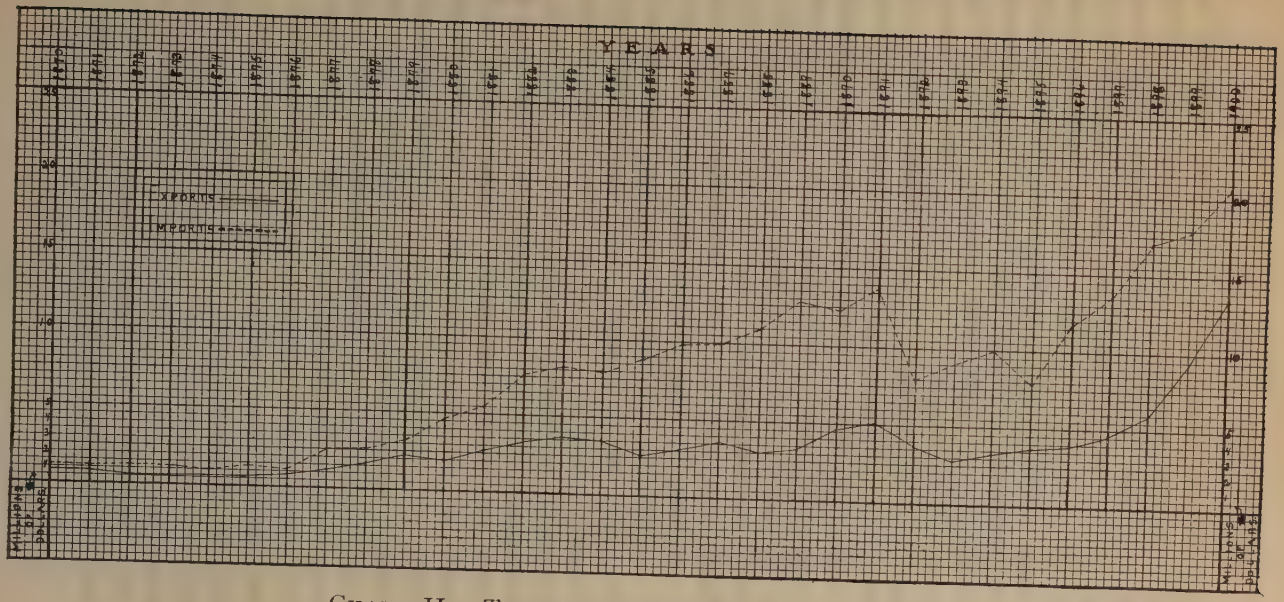


CHART II.—TRADE WITH THE HAWAIIAN ISLANDS.

In the accompanying chart, the history of our trade relations with the Hawaiian Islands has been traced. From this representation it appears that, subsequent to the negotiation of the reciprocity treaty, our relations with Hawaii may be divided into three general periods. The first of these extends from 1875 to the passage of the McKinley act in 1890. The second period covers the life of the McKinley act 1890-1894. The third continues from 1894 to the present time. The course of the events in the history of the treaty was broken by the abolition of duties on sugar under the McKinley act which, in a measure. deprived Hawaii of her differential advantage. Looking at the first period in the history of the reciprocity treaty, which covered the years 1876-1890, it appears that there was a steadily growing volume of imports and a volume of exports which, although not so steady in its growth, and although not so large as the imports, nevertheless displayed a constant and definite upward tendency. After 1891, when the McKinley act with its reduction of duties began to have its full effect, exports to the Islands fell off contemporaneously with the decline in imports. They recovered again after the reimposition of duties in 1894, and continued to increase, parallel with the growth in imports, up to the time of annexation. From this chart, the direct and immediate effect of the reciprocity treaty on our trade with the Hawaiian Islands is at once apparent. It conclusively demonstrates the stimulus which was given to imports from the Islands by the differential advantage accorded them in the reciprocity treaty. They grew at once and out of all proportion to our exports, for whereas there had been prior to 1876 very little difference between the amount of exports and that of imports the lines at once began to diverge immediately upon the conclusion of the treaty. It would, in fact, almost seem as if there would have been no limit to the disproportionate growth of imports except the absorption of all the arable lands in the Islands, had not a stop suddenly been put

to the movement by the abrupt repeal of the sugar duties in order to reduce revenue. One thing which is of special interest in this chart is the fact that the repeal of the sugar duties by the McKinley tariff did not give the same check to exports as to imports. While exports declined for a year or two they shortly after took an upward trend and were apparently but slightly affected by the falling off in imports. What this means is, of course, abundantly clear. The Islands were drawing upon us for their supplies of certain kinds of goods and were likely to continue doing so almost irrespective of our commercial policy with reference to them. Certainly our failure to take a large surplus of imports from them meant nothing except that a certain amount of profit was no longer poured into the pockets of owners of Hawaiian sugar lands at the expense of our consumers and of our government.

The influence of our commercial arrangements with Hawaii becomes much more striking when our attention is confined to sugar. Whereas the imports of this article from Hawaii to the United States had reached enormous proportions prior to the McKinley tariff, they had fell off in a marked way during the life of that act. The total amount of sugar imported to the United States in 1890 was 224,457,011 pounds, while in 1891 it grew to 307,255,016 pounds. This large figure declined to 262,612,405 in 1892 and, although it recovered somewhat in 1893 and 1894, it did not continue to take a strong upward course until 1896, when it rose to 352,175,260 pounds, and again in 1898 to nearly 500,000,000 pounds.

CHAPTER IV.

RECIPROCITY AND THE TARIFF CONTROVERSY IN THE UNITED STATES—1880-1890

THE tariff contest of 1883 was in reality the first in which the issue had been squarely put since the Civil War. It had not been desired by the Democratic party as a whole to force this question to the front. That party would have preferred to preserve the sectional differences which had been chiefly instrumental in the alignment of parties previous to 1883 and to keep economic questions more or less in the background. When Mr. Kerr became Speaker, in 1875, and appointed Mr. Morrison Chairman of the Ways and Means Committee, it had been intended, however, to make the tariff question the principal issue. Only the death of Mr. Kerr and the failure of his successor, Mr. Randall, to reappoint Mr. Morrison Chairman of the Ways and Means Committee, finally threw the question once more to the rear. But as soon as the Democrats came into control of the House of Representatives the issue was more clearly put. Up to that time there had been a considerable section of the Democratic party which was notoriously protectionist, but it had not been supposed that their leanings toward protection would overbalance the general welfare of the party, if that should turn out to require opposition to the Republicans, on the subject of free trade. Mr. Carlisle's election as Speaker of the Forty-eighth Congress was largely due to his attitude on tariff reform. It was believed that, the Democrats being in control, and Mr. Carlisle having accepted the Chair as presiding officer, while other revenue reformers were in con-

trol of the Committee on Ways and Means, a tariff bill, leanin at all events toward reform, might be passed. The refor measure which was proposed by Representative Morrison i 1883 found forty-one Democratic votes solidly against it in th House when it came to a vote during the following year. Bu as will presently be seen, the drift of events was such as t force a tariff reform policy upon the Democratic party. Th forty-one who had opposed tariff reform in 1884 dwindled t thirty-six in 1886, and by the end of that year had fallen t twenty-six. In 1888 there were only eight Democrats wh voted against the Mills bill and before the close of the decad there was scarcely a Democrat who would have ventured t vote with the Republicans on a protectionist measure in th House of Representatives. In the Senate somewhat the sam conditions had been produced, although the change had n gone so far as in the House. This development must, it woul seem, be largely attributed to the work done by Presider Cleveland and to his influence in building up a party upo whom he could depend and which would accept tariff reform a the leading issue of the day.[1]

There were several reasons why a revision of the tariff wa necessary in 1883. As often happens, the period of currenc discussion, which was immediately produced by the bad Trea ury and banking conditions prevailing after 1873, and whic was followed by the measures for resumption and othe changes, was succeeded by a period of trade expansion whic almost necessarily developed a tariff discussion. Among oth circumstances which immediately tended to excite interest i the subject was the great increase in Treasury receipts fro customs. The average surplus was more than $100,000,00 annually for the next few years after the resumption of spec payments in 1879. As usual, it was necessary to reduce re enue by a reduction of the tariff. The time was, moreove

[1] For a review of the decade 1880-1890 as regards tariff, see Henry Loon Nelson in *Forum*, Vol. 18, Nov., 1894, "William L. Wilson as Tariff Reformer."

apparently favorable for the process known as "revision of the tariff by its friends." A strong protectionist majority was in control of Congress and there was no reason to fear that any free trade ideas would be allowed to creep into the revision. The act of 1882 was therefore a sufficiently safe step for the Republicans. It provided for the appointment of a tariff commission which should recommend desirable changes for consideration at the next session of Congress. The Commission was chiefly composed of high protectionists, but when Congress met in December, 1882, there seemed to be little or no chance of the passage of any measure. The House could not agree upon a tariff bill and it was only through the action of the Senate in amending an internal revenue reduction measure, by the addition of the recommendations of the tariff commission in a modified form, that the tariff question was again brought before the House. Protectionists in the House, however, were not satisfied with the work of their own tariff commission, and the measure sent back by the Senate was referred to a conference committee which raised many of the duties and finally left the act much more nearly in harmony with the existing schedules than it had been when passed by the Senate. This bill was finally forced through both houses by a strict party vote. It really produced but a very slight change in the protective duties. The tariff on steel rails was materially cut, but only because the new schedule, owing to the fall in the price of steel, was still practically prohibitive. Some changes in wool and woolen goods had taken place, the tariff on the former article receiving a genuine reduction; but, all in all, the tariff act of 1883 contained no consistent principle and was animated by no real desire to give up the policy of protection, even where it was no longer needed. It was, in fact, simply a concession to the general feeling that the tariff needed revision. About as much was gained in very many of the duties as was lost by others. In short, the agitation had been without substantial result. As Mr. Hayes, who was

President of the Tariff Commission and who had been an important figure in the legislative manœuvers leading to the passage of the act, remarked:

"It was a concession to public sentiment, a bending of the top and branches to the wind of public opinion to save the trunk of the protective system. In a word, the object was protection through reduction. We were willing to concede only to save the essentials * * * We wanted the tariff to be made by our friends."

From this outline of events, it can readily be understood that the act of 1883 was not likely to yield much satisfaction to those manufacturers who wished to see our export trade developed. It was being recognized more and more that we could not hope to shut our markets to all the world and yet have other countries continue willing to trade with us. Some concessions must necessarily be made if we were to gain openings for our products abroad. Foreign countries had for some time shown extreme dissatisfaction with our tariff policy, and had taken more or less direct steps toward discrimination against us. The free trade period in Europe had come to an end and the era of tariff warfare had fully set in. Our merchants were realizing this fact. They were beginning to see, also, that our tremendous natural resources must inevitably enable us to produce upon such a great scale that we would be compelled to seek for trade opportunities outside our own market. However, we were not as yet in a position to compete actively with foreign manufacturers upon equal terms. This fact naturally gave increased strength to the idea of purchasing openings for our goods abroad by making corresponding concessions to certain kinds of goods when admitted to our markets.

Another force was at work tending to stimulate the demand for some effort designed to bring us into closer trade relations with foreign countries. This was the situation of the agricultural interests. There had been a sharp rise of general prices, in 1880 and the succeeding years, in consequence of the

general improvement in business conditions and the stronger demand for our goods. The increase led to higher expenses of production for the farmer without materially assisting him in marketing his product. It seemed as if some concessions to the agricultural interests ought to be made, by finding new openings for the products of our farms abroad and thus raising prices to correspond with those of manufacturers. This, of course, stimulated the wish to secure reciprocal trade arrangements with foreign countries, and by that means to open a market to our manufacturers under exceptionally favorable conditions, while also offering at least a nominal field to our farm products. Such a policy had an attractive sound and speedily attained a certain popularity throughout the country. It was well received by politicians because it held out the promise of a lengthy period of investigation with no action for a long time to come and no definite results at the end. The kind of reciprocity to be adopted, the nature of the agreements to be made, being left vague, it was clear that the reciprocity idea committed them to nothing in particular. It would always be possible to reject any given reciprocity treaty on the ground that it was unfair to us. None of the protected interests had anything to say against the general principle and they saw that it would be high time to offer objections to any particular agreement that might be proposed, when that agreement should become a question of immediate importance.

It was evident at the start, therefore, that either one of two kinds of reciprocity might be pursued as a policy. We might arrange for reciprocity in manufactured goods or for reciprocity in agricultural products; or, on the other hand, we might enter into such agreements with foreign countries as would permit us to exchange our manufactured goods against their agricultural products or our products of agriculture against the output of their factories. It was also clear that the choice between these kinds of reciprocity and the selection of one which would actually

be pursued as a policy must not merely depend upon th stipulation of a treaty agreement, but also upon the natur of our commercial relations with the country in questio For example, it would be possible for us to conclude a treaty c reciprocity with such a country as Germany, whereby w should provide for the free entry of both manufactured an agricultural products into this country in exchange for simila treatment of our goods by our competitor. Yet, in this cas it would not be reasonable to expect that we should impo cereals from Germany. We should continue to send them ou grain and they would continue to send us their manufacture Reciprocity, in other words, cannot, as was seen, ordinaril change the course of international trade save in very limite respects; it can at most only promote its progress alon the lines which it has marked out for itself. In our experienc with Canada, we had tried to see what could be done in th exchange of products of similar kinds on similar terms betwee two areas of substantially the same general character. In ou experiment with Hawaii we had shown what could be don toward stimulating the export both of agricultural and manu factured products to a country needing both and sending i in exchange tropical products of a kind raised only to a limite extent within the borders of the United States. The gai to be secured in the latter trade accrued in a degree both to th agriculturist and the manufacturer, though in a larger measur to the latter. The consumers' interests were not at all con sidered. In the Canadian treaty the main benefit had com to the consumer, being transferred to him by a competitiv process. As in the history of most cases of protection and c new experiments in the control of international trade, the firs step away from the interest of the consumer was very speedil taken. The Hawaiian treaty, as just shown, had concerne itself primarily with the interests of the producing class. Bu the struggle over the benefits of reciprocal trade could no stop at this point. It necessarily passed with little delay t

another stage and developed into a contest between different classes of producers. There were, of course, not many countries in which the peculiar conditions characteristic of the Hawaiian Islands could be found to exist, and no careful student of reciprocity as a policy could have failed to see that in future efforts to extend our trade through this means there would inevitably come a time when the interests of some must be sacrificed in order to promote those of others. Only in the case of the most limited kind of industry, only in the case of countries possessing no variety of occupation, could it be possible to maintain a reciprocity policy which would be injurious to none, which would benefit all producers alike, and which would not injure the consumer.

That this problem was early realized there seems to be no reasonable doubt. In fact, the expansion of our foreign commerce had beforehand determined, in effect, the outcome of the controversy. Not only was the manufacturer stronger than the agriculturist politically, but he was weaker commercially, so that both from a theoretical and from a practical standpoint it was to be expected that a difference of interest between these two classes of producers would terminate to the disadvantage of the latter. Our agriculturists were, of course, enjoying an enormous and apparently limitless export trade. In the early eighties they felt little need of protection against foreign products, for the European market, not yet attacked by the competing wheat fields of Russia and South America, offered a practically unimpeded field of operations to the American farmer. They suffered somewhat from foreign tariffs and most severely from our own. Our manufacturers, on the other hand, were just beginning to appreciate the possibility of manufacturing expansion. Exports were growing in volume and, while they were not able to compete with foreign goods on their own ground, it might be possible for them to secure control of competitive markets, could the markets in question be fenced off by some differential advan-

tage for Americans. It was almost a foregone conclusion, therefore, that in seeking for a field within which to secure trade concessions our statesmen should look with interest to countries which would offer a free field for our factory output, and which would perhaps take from us some partly manufactured goods like flour, salt meats, canned packing house products and others of the same general nature. Once the policy of fostering manufactures even at the expense of certain kinds of agricultural production had thus been contemplated, it was not surprising that we should be willing to go a step further and grant concessions at the expense of our own agricultural producers, while shaping them in such a way as at the same time to promote the interests of manufacturers. The demand for free raw materials was already growing very strong. If these could be admitted to our country in such a way as to provide manufacturers with what they needed in the effort to produce cheaply and thus conquer ever more and more markets, a double result would have been gained—we should have found an opening for the output of our factories abroad and we should have enabled our producers to take a position of advantage from which they would be able to invade other markets in competition with foreigners. It was true that this step, if taken at all, must be taken at the expense of the domestic producer of raw materials. Yet, as we have seen, it was felt by many that the latter already had a sufficiently strong hold; while it was no more than a logical outcome of protectionism that that system should develop along selfish lines in such a way as to foster more and more particularly the interests of a specialized class.

In treating of reciprocity heretofore we have seen that as a determinate policy it had obtained no great hold upon the public mind. Its principal supporters had advocated it merely in isolated instances in which it was desired, for one reason or another, to improve our relations with foreign countries. This was the case with Canada, where, as has been shown, reci-

procity was advocated only partly on the ground of the advantages which would accrue from it to the consumer. In the case of Hawaii, reciprocity had been supported confessedly upon the chief ground that it would tend to strengthen the political influence which we were striving to build up in the Islands. The advent of a conscious reciprocity policy was postponed until after 1880. Its appearance at that time was partly attributable to the fact that the tariff was now definitely before the public as an issue and that in view of the industrial situation already outlined, the Republicans scarcely dared to go to the polls with a policy of unmodified protection, in the face of their promises ever since the Civil War to remove duties imposed upon manufactured goods chiefly because of military necessities.

In the search for some countries which could be induced to go into reciprocity negotiations in a way which would produce the desired results in the United States, it was manifestly impossible to place much reliance upon Europe. As has been shown, the European free-trade movement had already terminated, and in its place there had come an era of discriminating tariffs and a war of duties. Eastern trade had not then developed to a considerable extent. The effort to get into better commercial relations with Canada had been looked upon with disfavor ever since the close of our earlier reciprocity treaty. In short, the only part of the world which seemed thoroughly available as a place in which to develop markets was the continent to the south of us. We had long sought to get a greater control in South America than had actually fallen to our share, and some persons in the United States had been disappointed that our vigorous enunciation of the Monroe doctrine had failed not only to wean the South American countries from their allegiance to the European nations with which they were most closely allied by blood, but also draw them to our side, both commercially and politically. It is not to be doubted that during the period from

1880 to 1885 the idea that we might succeed in using reciprocity very much as it had been used in the case of Hawaii was very popular with some statesmen. This point of view was manifested in the discussions over the renewal of the Hawaiian treaty as well as in many public utterances of the time. President Cleveland himself, while strongly antagonizing reciprocity as a whole, nevertheless felt called upon to concede to it a certain success in the case of Hawaii, and this later led him to favor the renewal of the Hawaiian treaty even in the face of his own declarations on the general policy therein involved. It is easy to see how men, who were not imbued with Mr. Cleveland's general notions on free trade, or with his general opposition to all efforts after foreign dominion, should have readily grasped at reciprocity, not merely as a means of promoting commercial expansion, but also as a scheme for gaining a foothold in foreign countries.

The nature of the movement which was thus actively making in favor of reciprocity may be understood from a study of our efforts to secure reciprocity with Spain in regard to certain of her possessions. These efforts came to a head in 1884 when a treaty was finally negotiated providing for the grant of concessions to us in Cuba and Porto Rico in return for similar concessions to the inhabitants of those Islands trading with the United States. There were some features involved in this treaty besides those which related merely to commercial concessions. It was desired to supplement the old treaty of 1795 (with Spain) by some more modern provisions as to commercial freedom, the protection of the rights of persons and property, and the "most favored nation clause," which were not to be found in that document. The main object was, however, to extend our trade to the Islands and to obtain such mutual arrangements in regard to shipping as would stimulate our commerce. In the treaty, as actually negotiated, American vessels were granted the same privileges as Spanish vessels in trade between Cuba and Porto Rico and the United States, this

privilege applying both to our own goods and to foreign products re-exported from American ports. Certain restrictions and oppressive regulations to which our trade had always been subjected in the customs houses of the Spanish possessions were abrogated by Articles 4, 17 and 18. Moreover, the levying of new export duties on the products of Cuba and Porto Rico was prohibited. Tonnage duties were to be abolished and it was agreed that no greater internal revenue charges should be levied upon American products in the Spanish Islands than upon native products. The abolition of consular fees was stipulated, and it was also ordered that tonnage fees imposed on all American goods shipped to Cuba and Porto Rico against which we had for some time past protested (as equivalent to the levying of an export duty on our merchandise) should also be withdrawn. Full protection to life, property and capital of American citizens in the Islands was guaranteed, and the "most favored nation clause," interpreted according to our traditional policy, was recognized. On the basis of these more or less elaborate stipulations there was built up a structure of mutual commercial concessions. Cuban tobacco, both leaf and manufactured, was granted a reduction of fifty per cent. and sugar was relieved of a like proportion of duty. In return for this concession free admission into Cuba was granted to all kinds of meat, fish and fowl, lard, butter, cheese, fruits and vegetables and all kinds of grain, except wheat, the duty on which was reduced from $3.15 per hundred kilograms to fifty cents, while flour was reduced from $4.70 to $2.50 and $1.65 per barrel of different grades. Cattle, hogs and various agricultural products were to be free. Thus an excellent show of securing openings for our agricultural products was made. The only trouble was that most of these articles were not imported by Cuba at all or were imported in very limited amounts. The real point of the treaty was found in the concessions guaranteed to American manufactured goods. They included almost every kind of material intended for

building; all products of cast iron and steel; implements and tools, particularly agricultural; machinery and apparatus of various kinds and materials suitable for the construction of railways, for ship building, and for other arts. On another long list of articles, large reductions were made and these were amply sufficient in amount to enable our manufacturers to compete with success against foreign producers of these same lines of goods.[2]

This treaty was regarded as highly favorable to the United States. Mr. Frelinghuysen, then Secretary of State, wrote as follows concerning it:

"The need has long been recognized of some arrangement by which the natural market of the large communities lying at our doors should be secured under beneficial terms for the principal productions of the United States. In return for this, we grant certain return favors whereby the articles, mainly raw materials or food products which this country does not produce, or produces in inadequate quantities, shall reach their market of consumption in this country. Tariff duties, for the most part greater in foreign possessions in respect to manufactures than in the United States in respect to the crude materials we consume, have hitherto operated as obstacles to the desirable natural movement of trade between our ports and theirs. * * * This has been notably the case with the Spanish Antilles. * * * It follows, therefore, that any change which cheapens the price of the necessaries of life in Cuba and Porto Rico will increase the demand and so benefit the United States."[3]

The usual objections to the treaty were of course made.[4]

---

[2] A full discussion of this treaty may be found in Senate Executive Document No. 10, 48th Congress, 2d session.

[3] *Ibid.*, pp. 1-2.

[4] Mr. Blaine, when the McKinley Act was under discussion, explained the history of the reciprocity treaties with Spain and Mexico, as follows:

"Six years ago the Prime Minister of Spain, in his anxiety to secure free admission to our markets of the sugar of Cuba and Porto Rico, agreed to a very extensive treaty of reciprocity with John W. Foster, then our Minister at Madrid. A year before—in 1883—a very admirable treaty of reciprocity was negotiated by General Grant and Mr. William H. Trescott, as United States Commissioners with the Republic of Mexico—a treaty well considered in all its parts and all its details—whose results would I believe have proved highly advantageous to both countries. * * * Both these treaties of reciprocity failed to secure the approval of Congress, and failed for the express reason that both provided for the free admission of sugar. Congress would not then allow a single pound of sugar to come in free of duty under any circumstances." (Letter of Secretary Blaine to Senator Frye, *New York Daily Tribune*, July 26, 1890, p. 1, col. 5.)

It was shown that whereas Cuba and Porto Rico supplied us with only a limited amount of our sugar and tobacco, the price of sugar to the consumer would remain about the same so long as any had to be imported from other countries, and the result would be that what we gave up in the shape of duties would simply go into the hands of Spanish planters in the shape of increased profits without stimulating our trade with the Islands through lower prices and, consequently, stronger demand on either side. These objections, however, had comparatively little weight. The sugar production of the United States was inappreciable in amount compared with the total consumption, and there was something to be said in favor of granting concessions to Cuban sugar in order to put the refiners of the Atlantic Coast on more nearly the same basis with those of the Pacific Coast, since it would be possible for them to acquire control of sugar lands in Cuba as the Spreckels and other interests had done in Hawaii. Cuban tobacco, moreover, could not be considered a competitor of American tobacco. The trade of Cuba went predominantly to England and Germany, and it might be expected that the new arrangement would do much to turn it in our direction. On the whole, therefore, the treaty had many commendable features. It was unfortunate that the final arrangements were consummated just as an administration was to go out of office. It was sent to the Senate, but upon the accession of President Cleveland to office in 1885 it was withdrawn for further consideration and possibly for amendment. This action had its indirect as well as its direct effect. A treaty of the same kind with Great Britain covering our trade with the British West India Islands had been in process of negotiation, but these negotiations were broken off when England learned of the withdrawal of the Spanish treaty from the Senate. An agreement very similar to the treaty negotiated with Spain had also been arranged with Santo Domingo. One with Mexico was also under consideration.

The Mexican treaty of 1883 was of much greater importance in showing the direction in which commercial opinion was growing than it was as a political measure. As indicated, the treaty was still-born and never stood any chance of being ratified. It was negotiated by General U. S. Grant and William S. Trescott on behalf of the United States, and by Matias Romero Estanislas Canedo, who acted as delegate for Mexico at Washington. It was signed by the respective plenipotentiaries January 20, 1883, and was first transmitted to the Senate by President Arthur with a message dated February 3, 1883, in which he stated certain slight amendments. Speaking of the treaty, President Arthur said:

"While the treaty does not contain all the provisions desired by the United States, the difficulties in the way of a full and complete settlement of matters of common interest to the two countries were such as to make me willing to approve it as an important step toward a desirable result." [5]

The treaty was read the first time in the Senate and ordered referred to the Committee on Foreign Relations and to be printed in confidence with accompanying documents for the use of the Senate.[6]

On February 19, 1883, the injunction of secrecy was removed from the text of the treaty. President Cleveland, as will later be seen, regarded it with much more favor than he did our other reciprocity treaties, for he did not order it withdrawn after he had taken office. In February, 1885, the time of ratification was extended one year and the President urged that the treaty be adopted and put into effect by legislation.[7] The necessary legislation not being forthcoming,

[5] "Messages and Papers of the Presidents," Vol. VIII., pp. 154-55.
[6] Senate Executive Documents, No. 75, 47th Congress, 2d session, p. 1.
[7] The Mexican treaty would have resulted in practical free trade between the United States and Mexico. The following schedule of articles was to be admitted duty free into the United States: Animals alive—for breeding purposes; barley, not pearl; beef; coffee; eggs; esparto, and other grasses, and pulp of, for the manufacture of paper; flowers, all kinds of natural; fruits, all kinds of natural; goat skins, raw; henequen, sisal, hemp, and other like substitutes for hemp; hide ropes; hides, raw or uncured, etc. (same as Dingley and McKinley law sections); india rubber, crude; indigo; tampico fibre; jalap; leather, old scrap; logwood berries and other

the time of ratification was again extended (May 14, 1886) until May 20, 1887.

Our well-known attitude on the interpretation of the most favored nation clause was very clearly reaffirmed in the negotiations with Spain, and was also developed in connection with the proposed treaty with Mexico in 1884. Mr. Frelinghuysen, then Secretary of State, in a letter to the Mexican delegate, who was conducting the negotiations in behalf of Mexico, used the following plain language:

"While this government cannot agree with that of Mexico, that under the provisions of the most favored nation clause, another nation becomes entitled to privileges granted by reciprocity treaty, still as there are various considerations affecting the question as now presented, I content myself with a courteous denial that the most favored nation clause applies to reciprocity treaties, without now entering into any argument upon the subject." [8]

Moreover, in a communication addressed by the same Secretary to Mr. Foster, who had been charged with certain diplomatic negotiations involving reciprocity, it was stated that:

"this government has always assumed that Spain held the same view as ourselves respecting the effect of a reciprocity treaty in connection with the most favored nation clause in other treaties. This country has that clause in many of its contracts with foreign states but it has never occurred to them or to us to suppose that we were

---

vegetable substances for dyeing; molasses; palm or cocoanut oil; quicksilver; sarsaparilla, crude; shrimps and other shell fish; straw, unmanufactured; sugar, not above number 16, Dutch standard in color; unmanufactured tobacco; fresh vegetables; unmanufactured wood and timber.

On the other hand, the following articles were to be admitted without duty into Mexico:

Accordeons and harmonicas; anvils; asbestos for roofs; bars of steel for mines; barrows and hand trucks; bricks of all kinds; books; iron beams or rafters for roofs; coal of all kinds; cars and carts with springs; coaches and cars (railway); crucibles and melting pots; cane-knives and clocks; carriages and dynamite; fire-pumps and engines, and other pumps; faucets; mine fuses and wicks; feed; fruits (fresh); fire-wood; fresh fish; guano; hoes and mattocks with handles; houses of wood or iron; agricultural implements; henequen bags, for subsequent exportation; ice; iron and steel rails; scientific instruments; printing ink; iron beams; lime; locomotives; lithographic stones; masts and anchors; marble in blocks and flags for pavements; machines and apparatus of all kinds; window blinds.

The right to change its tariff legislation at discretion was reserved by each country, although such a change bestowed upon the other party the right to serve notice of a termination of the treaty within six months. The treaty was to be ratified within twelve months from the date of its signature and was to remain in force six years from the date of ratification. (Senate Executive Document, No. 75, 47th Congress, 2d session.)

[8] Wharton's "Digest of International Law," Vol. 2, p. 41.

thereby constrained to grant to those treaty powers, without equivalent, the privileges which we had by special engagements stipulated to concede to countries like Hawaii and Canada, for a valuable consideration." [9]

In short, the reciprocity negotiations of 1882-84 showed no advance in policy over those which had preceded them.

The idea that it might be possible to develop a market with the South American countries which would be profitable, both to our farmers and to our manufacturers, however, did not attain its full growth until 1884. The act approved July 7, in that year, provided for the consular and diplomatic service, and added a special appropriation in order that the President might appoint three commissioners, whose duty it should be "to ascertain the best mode of securing more intimate international and commercial relations between the United States and the several countries of Central and South America." [10] Pursuant to the authority vested in him by this act, President Arthur promptly appointed a commission consisting of three members and a Secretary.[11] The Commission organized and had its first meeting in New York, September 16, 1884, where it held a hearing at which various men interested in the commerce of the South and Central American states appeared and gave their views on the subject. Other meetings of the same kind were held in Baltimore, Philadelphia, San Francisco, St. Louis and New Orleans. After the hearings at San Francisco, the Commission visited Mexico and, subsequent to the New Orleans session, it went to Venezuela, Costa Rica, Guatemala, Ecuador, Peru, Chili, and the Republics of La Plata. Neither Brazil nor the other states in Central America were visited. Returning to the United States, the Commission rendered a series of reports under various dates in 1884-1885. On the

[9] *Ibid.*

[10] House Executive Documents, No. 226, 48th Congress, 2d session, p. 1.

[11] The members of the Commission were George H. Sharpe, of New York; Thomas C. Reynolds, of Missouri; and Solon O. Thatcher, of Kansas. William E. Curtis, of Illinois, was appointed Secretary to the Commission; but later, when Mr. Reynolds returned to the United States, he was appointed his successor (March 18, 1884).

12th of February, 1885, these were transmitted to Congress by President Arthur.[12]

The visit of this Commission developed all of the objections to reciprocity which were subsequently argued, and placed the South American trade situation in an unmistakable light before the country. Several of the countries did not hesitate to make distinct statements of their hostility to the reciprocity idea—notably Ecuador. Others seemed to favor reciprocity, but it nearly always turned out that the reciprocity desired by them was of a kind which we should not be likely to grant because of its possible bad effect upon our producers. Others gave an academic expression of approval to reciprocity, and vaguely spoke of taking up negotiations later on. Several of the countries found considerable difficulty in entertaining the idea of reciprocity on any terms, because of the fact that their national revenues consisted almost wholly of returns from customs; and their imports being simple and few in number, they could not see any possibility of reducing the number of taxed articles. But the real difficulties in the way of reciprocity were put most clearly by the President of Uruguay, who remarked that the main trouble was to find products of his country which were not produced in ours and that, inasmuch as we already admitted hides and cattle products free, the main change in our tariff which was desired by Uruguay would be the free admission of wool. Very much the same point of view was taken by Peru, which seemed to feel favorably disposed toward reciprocity, provided that the sugar and wool produced in Peru should be placed on our free list. Of these suggestions the Commission mildly remarked that "we did not feel at liberty to intimate that our country would modify its duty on wool, and left the matter with the general understanding * * * that if a mutually favorable basis

[12] The first three reports may be found in House Executive Documents, No. 226, 48th Congress, 2d session. House Executive Document No. 50, 49th Congress, 1st session, contains the final report, the total of all three reports being about one thousand pages.

could be found, the negotiation of such a treaty would be taken up hereafter." Chili took an extremely unsympathetic view of the whole reciprocity idea. According to the Commission's report, our representatives were informed "that in the matter of reciprocity there could be no control by any convention of the laws of trade, that men would buy and sell where it was most to their advantage and that this could not be aided or materially influenced by national compacts." It thus could not be contended that the ideas of the United States regarding trade relations with the South American countries could be developed at our will. The South American republics, in fact, manifested a strong disposition to ask for compensating concessions from us, in return for what they themselves granted, as well as a natural desire to buy in the markets where they could secure the most advantageous openings.

The other favorite idea of those who believed that we could easily draw near to South America was the notion of an international American conference at which we should discuss the possibility of a customs union and of various measures designed to stimulate trade relations. While this plan was received with a certain sort of approval by the governments to which opr representatives suggested it, it did not arouse the enthusiasm which many Americans had anticipated. Many of the states were careful to specify that such a conference must be strictly non-political in character and must consider only commercial questions, yet they were willing to send delegates for the sake of seeing what could be done on the topics suggested by the United States. The only country which was really hostile to the proposal was Chili. All that our Commissioners could learn from the authorities of that Republic was that past experience had not encouraged them in the belief that any practical result could be obtained by such congresses, and they therefore retained the privilege of settling the question of their attendance at a later date, without committing themselves beforehand.

In spite of the unwillingness of the South American countries to express any definite ideas upon reciprocity, the South American Commission was not at all discouraged in its report on that subject. It found, in the first place, that "there was a unanimity of views among merchants and exporters in the seaports of the United States where hearings had been held, concerning the mode of securing closer trade relations with the South American countries." One of the principal of these modes was "commercial treaties with actual and equivalent reciprocal concessions in tariff duties." It firmly believed that reciprocity treaties, could they be negotiated, would be of great service in promoting our export trade, but it was obliged to recognize the difficulties of the situation. The main obstacle seemed to be the impossiblity of finding a basis for negotiation. "In every instance," said the report, "we pursued the line indicated to us in our instructions on this subject and in no case could we find a complete or satisfactory solution of the matter. In any convention we on our part must admit wool or sugar free of duty or at greatly reduced rates. * * * Had we been at liberty to bring on a discussion as to them, we have no doubt the result in every case, except, perhaps, Chili, would have been a very favorable reciprocity treaty. * * * If our country sees its way clear to the abatement of its imposts on these products, then by a reciprocity treaty with the nations of South and Central America can be effected a very persuasive tendency to more intimate national relations."

In other words, the Commission found itself compelled to recognize the fact that any great gain made by our manufacturers would have to be compensated by corresponding concessions to our neighbors with whom we might enter into an agreement. This concession would, in the nature of the case, be necessarily based upon one of the staples of South America. While we might be able to arrange matters with such a country as Brazil by merely admitting coffee, it would be necessary in most cases to concede the free entry of wool,

sugar or other articles which would interfere with the market of our domestic producers of the same articles, while one of them—sugar—would not only conceivably compete with the domestic product, but would also infringe upon the monopoly privileges which we had seen fit to grant to Hawaiian producers.

The lack of success in reaching any basis of agreement made the Commission more than ever certain of the desirability of holding such an international conference as had been proposed. "The general opinions of the governments visited," said the report, "point to the propriety of this country's issuing the call for the convention, fixing time, place, membership and also suggesting in the invitation a list of topics for discussion, at the same time conceding to every state represented the right to bring forward such other subjects affecting the welfare of all as it may deem best."

The result of the attempt to reform the tariff in 1883 had proved extremely unsatisfactory to the country at large. On the other hand, the ineffectual effort to introduce a policy of reciprocity which we have just sketched tended very strongly to deepen the unfavorable impression produced by the hesitancy shown toward reform in the tariff of 1883, and by the evident determination of the protectionists manifested in that act to give up not the slightest portion of the advantage they were enjoying. The result was that when the two parties went before the country in the autumn of 1884 there was an unmistakable verdict against the "conservatism" that had been displayed by the Republicans. While it was perfectly true that Mr. Blaine's personal characteristics had an important influence in defeating the party whose candidate he was, and while, on the other hand, some Democrats who had been instrumental in defeating the Morrison tariff reform bill in 1884 were unfavorable to serious changes in the tariff, these factors in the situation must be considered overbalanced by the vigorous declarations of Mr. Cleveland during his Presidential cam-

paign. These unmistakably committed the Democratic party to the tariff reform idea, and so gave a distinctly partisan character to the controversy. In 1885 Mr. Cleveland took office.

The personal hostility of President Cleveland to reciprocity as a recognized policy was, of course, a foregone conclusion; but probably it had not been realized how strong an attitude of opposition would be taken by him as head of the Democratic administration. Mr. Cleveland was not slow to announce himself on the subject in an official way. In his first annual message he made a perfectly clear and distinct statement concerning his views on the whole reciprocity question. He reviewed the situation in the following terms:

"Following the treaty of 1883 with Mexico which rested on the basis of a reciprocal exemption from customs duties, other similar treaties were initiated by my predecessor. Recognizing the need of less obstructed traffic with Cuba and Puerto Rico, and met by the desire of Spain to succor languishing interests in the Antilles, steps were taken to attain those ends by a treaty of commerce. A similar treaty was afterwards signed by the Dominican Republic. Subsequently overtures were made by her Britannic Majesty's Government for a like mutual extension of commercial intercourse with the British West Indian and South American dependencies, but without result."

Mr. Cleveland further stated his own action regarding the treaties as follows:

"On taking office, I withdrew for re-examination the treaties signed with Spain and Santo Domingo then pending before the Senate. The result has been to satisfy me of the inexpediency of entering into engagements of this character not covering the entire traffic. These treaties contemplated the surrender by the United States of large revenues for inadequate consideration. Upon sugar alone, duties were surrendered to an amount far exceeding all the advantages offered in exchange. Even were it intended to relieve our consumers, it was evident that so long as exemption but partially covered our importation, such relief would be illusory. To relinquish a revenue so essential seemed highly improvident, at a time when new and large drains upon the Treasury were contemplated. Moreover, embarrassing questions would have arisen under the favored nation clauses of treaties with other nations. As a further objection, it is evident that tariff regula-

tion by treaty diminishes that independent control over its own revenues which is essential for the safety and welfare of any government."

The attitude of general disapproval thus exhibited by President Cleveland toward reciprocity with Cuba and Santo Domingo was likewise shown, though in a more moderate degree, with regard to Mexico. As we have already seen, a treaty with Mexico had been negotiated by Mr. Foster and was pending at the time when Mr. Cleveland took office. Even those who ordinarily opposed the plan of entering into reciprocity relations with countries outside the North American continent had almost always favored the improvement of our trade with Mexico and Canada by reciprocal agreement. This difference in point of view was likewise clearly exhibited by Mr. Cleveland with reference to the pending Mexican treaty. In his message sent to Congress December 6, 1886, Mr. Cleveland spoke as follows concerning that document:

"Our commercial treaty of 1831 with Mexico was terminated, according to its provisions in 1881, upon notice given by Mexico in pursuance of her announced policy of recasting all her commercial treaties. * * * Our yet unexecuted reciprocity convention of 1883 covers none of these points, the settlement of which is so necessary to good relationship. I propose to initiate with Mexico negotiations for a new and enlarged treaty of commerce and navigation."

This statement at once indicates the less hostile attitude of the President toward reciprocity with Mexico and at the same time indicates with clearness that the mutual reductions of duties made by the Mexican agreement with the United States did not, to his way of thinking, cover the essential features of an international agreement designed to promote good fellowship and proper commercial intercourse.[13] In

[13] This does not mean, of course, that President Cleveland disapproved of the essential ideas of the reciprocity treaty with Mexico. That treaty would, in fact, have instituted somewhat the same relation between us and Mexico as formerly existed with Canada. Mr. Cleveland, in fact, remarked (Annual Message of Dec. 8, 1885; "Messages and Papers of the Presidents," Vol. VIII., p. 333):

"As this Convention, so important to the commercial welfare of the two adjoining countries, has been constitutionally confirmed by the treaty making branch, I express the hope that legislation needed to make it effective may not be long delayed."

In other words, President Cleveland regarded an elaborate treaty of this kind

other words, while the idea of reciprocity with Mexico was less repugnant to President Cleveland than that of reciprocity with some other countries, he nevertheless felt that such tariff concessions did not constitute the chief element of the international trade problem.

By 1887, President Cleveland was able to present to Congress his own remedy for the existing tariff difficulties. He had fully discarded reciprocity and he now felt prepared to suggest a definite and positive policy. In his annual message to Congress in December, 1887, he discussed the question of tariff reform in elaborate detail, urging especially the removal of duties on raw products. This was a distinctly courageous step, for, although Mr. Cleveland had in a certain sense been elected on a tariff reform platform, the verdict had not been so unmistakably in favor of that reform as to relieve the President's mind of all doubt regarding the possible effects of forcing a tariff repeal policy upon an unwilling Congress. Within the Democratic organization there was already an active party in opposition to President Cleveland which had succeeded in defeating the effort made in 1884 to push through a tariff measure. In that year, as we have seen, the solid opposition of the Republicans was aided by forty-one Democratic votes and so defeated the Morrison proposition. Doubtless Mr. Cleveland believed that in the new Congress which gathered in December, 1887, the country had rallied strongly to his support. As later events proved, he was able to enlist very nearly the full strength of his own party in the House. Nevertheless the field was by no means clear, and it was practically certain that tariff reform efforts would meet with very serious opposition both in and out of Congress, even though some Democrats might not deem it best to go to the extreme of voting against their own party. Of course, it was impossible to expect

---

very differently from those in which we admitted a few articles to the United States on such terms as to give a differential advantage to foreign producers, while we obtained from them only a limited or even hypothetical market for a small number of exports.

that anything practical could immediately be done. A Republican majority existed in the Senate, so that whatever might be passed in the House would serve merely to put the party on record for the coming Presidential struggle. This was, in fact, what happened. Shortly after the opening of the session of 1887-1888 the so-called Mills bill was prepared, and later on in the session was passed by the lower chamber. At the same time, an opposition measure was made ready by the Republican majority in the Senate and was put through in that body just as had been done with the Mills bill in the House. The Mills bill carried out some of Mr. Cleveland's favorite ideas and threw a strong sidelight upon the reciprocity question. Its main point was found in its treatment of raw materials. It placed on the free list not only lumber, flax, and hemp, but also raw wool, while it proposed to abolish the specific duties on woolen goods—a change which naturally followed from the action taken in placing the raw wool upon the free list. As opposed to the Mills bill, the Senate plan simply aimed to carry out the protective idea. Wool, which formed the test commodity, in all the tariff bills of the eighties was even raised above the rates laid down in 1883.

Reflection shows what were the more or less concealed bearings of the Mills bill upon the reciprocity idea. It admitted free precisely those raw materials in which it was necessary to make concessions to the South American states. In other words, it gave to those states all the advantage they could wish in sending us commodities whose free entry would be likely to contribute to the development of our manufactures and our home industry. It made those concessions without any attempt at bargain for favors in return, and it trusted, in the way advocated by President Cleveland, to the development of our relations with foreign countries through the natural building up of trade with them by making our markets the best for their products. Neglecting sugar, for the most part, and confining its attention to the other lines of goods in which it

had been recommended—by those who had considered the tariff question—that concession should be made, the Mills bill endeavored to promote friendly feeling for us on the part of foreign countries without entangling our commercial system with theirs.

Notwithstanding the general prosperity of the country, and the fact that President Cleveland and his party had tried to fulfill the agreements and obligations they had accepted when they took office in 1884, the Presidential election of 1888 turned against them. The defeat was far from severe, and since it was largely brought about by political scheming in one or two States whose votes were very influential, it might be claimed with some degree of justice that the outcome had no especial bearing on the tariff. On the other hand, the fact that the tariff issue was much discussed in the course of the campaign would have furnished considerable warrant for the belief that the verdict of the country justified the Republican party in considering the reform policy repudiated. Some attention, also, had been paid to reciprocity in those parts of the country where it was feared that higher protection would result in still further alienating the countries with which we wished to stimulate trade relations. Wherever the policy was spoken of, it was put forward as a means for advancing the exporting interests of the United States by extending to foreign countries advantages in our markets which would induce them to grant similar advantages to our products entering their own, without at the same time doing anything that could deprive our manufacturers of their selling ground at home.

President Cleveland, however, had the courage of his convictions. The defeat of 1888 and the knowledge that he was about to retire from office did not prevent him from leaving a last word with Congress in his annual message sent to that body December 3, 1888:

"A just and sensible revision of our tariff laws," said he, "should

be made for the relief of those of our countrymen who suffer under present conditions. Such a revision should receive the support of all * * * who desire to see the products of American skill and ingenuity in every market of the world with a resulting restoration of American commerce. The necessity of the reduction of our revenues is so apparent as to be generally conceded, but the means by which this end shall be accomplished and the sum of direct benefit which shall result to our citizens present a controversy of the utmost importance. There should be no scheme accepted as satisfactory by which the burdens of the people are only apparently removed."

It was, of course, impossible to expect any even formal action by Congress in support of this recommendation. The party was too much dispirited by the reverse it had already met to take a step which might only serve to embitter the country still further against it.

A Republican majority appeared in the Congress which met in 1889. It was well understood that the first fruits of its efforts would be a tariff measure and this was in fact the case. Yet there was no very great enthusiasm for higher duties even in the Republican ranks. The election of 1888 had been too nearly a drawn battle for the party to feel any assurance that higher protection was really what was wanted. Nevertheless the Republican party stood fully committed by its platform pledges, and by its official statements in the course of the contest, to the enactment of some measure of tariff change. Granting that there was to be tariff legislation, it followed that the most to be expected in the way of improvement was a more equitable arrangement of duties. These, although allowed to remain at the high point they had already reached, or even raised a notch or two in the scale, might still be reclassified in such fashion as to inflict a less degree of hardship upon the consumer, and to deflect a less amount of differential profit into certain favored purses. The forthcoming bill, however, was not to grant even this small measure of reform. It became evident that its schedules would be largely dictated by the special interests which they were designed to serve; and the

manifest character of the measure necessarily to be adopted, in order to satisfy the interests which had promoted the success of the Republicans in the autumn of 1888, was of such an alarming character as to frighten even the men who were in charge of its preparation.

This recognition of the elements in the new tariff bill, which would probably lay it open to criticism, made it doubly necessary that some effort should be made at palliating its worst characteristics by throwing some bone of concession to the exporting industries which were certain to find themselves hampered by the enactment of such a tariff law. Circumstances had apparently favored the Republicans by providing an open door to such an apparent concession. We have seen how the South American Commission had recommended the calling of a Pan-American conference and how the reciprocity idea had been discredited by President Cleveland among the first acts of his administration. Notwithstanding this fact, the sentiment surrounding the idea of close relations with South America, combined with the apparent desire of business interests (quite independent of tariff changes and relating very largely to questions of banking, shipping, port regulations and other commercial matters of the same sort) for certain changes in our connection with those countries, to force through a bill for the summoning of such a Pan-American conference in Washington. This bill passed and became a law without the approval of the President early in 1888. In his message sent to Congress on December 3, of the same year, President Cleveland was able to say that:

"As authorized by the Congress, preliminary steps have been taken for the assemblage at this capital during the coming year of the representatives of South and Central American states, together with those of Mexico, Hayti, and Santo Domingo, to discuss sundry important monetary and commercial topics."

While thus informing Congress of the steps taken in obedience to its orders, President Cleveland did not, however, hesi-

tate in the same document to reiterate his continued feeling of opposition to reciprocity:

"Excepting in those cases," ran the message of 1888, "where, from reasons of contiguity of territory and the existence of a common border line incapable of being guarded, reciprocal commercial treaties may be found expedient, it is believed that commercial policies inducing freer mutual exchange of products can be most advantageously arranged by independent but co-operative legislation. In the mode last mentioned the control of our taxation for revenue will be always retained in our own hands unrestricted by conventional agreements with other governments."

The divergence in feeling on the question of South American reciprocity had been very well reflected in the report made by the House Committee on Foreign Affairs concerning the bill authorizing the President to invite the several governments of the American continent to meet representatives of the United States in a conference, and to appoint three commissioners to attend the conference on behalf of the United States Government, appropriating therefor twenty thousand dollars,[14] when that measure was under discussion.

In this report, the Committee adverted to the existing depression of business and the low price of farm products, which it said was due very largely to the limited character of the market for our surplus of goods. The South American markets, the committee argued, naturally belonged to the United States, for not only were they in need of our goods of all kinds, but transportation charges would be much less costly for American goods than for British. Notwithstanding this fact, as stated, about ninety-five per cent. of the cotton goods consumed in Central and South America were furnished by England, which monopolized the trade, largely because of her special lines of steamers plying to South American ports and because of the care taken by her mill owners to turn out those goods which were particularly adapted to the needs of South American con-

[14] House Report, No. 1648, 49th Congress, 1st session.

sumers—goods whose production had never even been attempted by American mills. A Democratic minority reported adversely upon this measure on the ground that it suggested no policy for carrying out the reciprocity object which it had in mind. According to the minority it was an entirely academic proposal so long as we were unwilling to surrender our tariff policy. The whole idea, it was claimed, was an absurdity since it took for granted that we could successfully compete in South American markets with goods against which we could not make headway in our own markets except by the aid of a highly protective system. If we were asking South American countries to make special concessions to us, which would enable us to make headway in these markets against our foreign competitors, notwithstanding that they produced more cheaply than we, it would be necessary that discriminating tariff rates should be offered to us. Should such rates be granted, the result would be that they must be paid for by corresponding concessions made by us to the export trade of the South American countries. It was impossible to suppose that this would be tolerated by the producers of those staples which would be most severely injured by a reciprocity policy. A large part of the South American productions which did not interfere to an appreciable extent were already admitted free. In other words, South America had everything to lose and nothing to gain by a reciprocity policy with regard to American goods.

The opposition to a Pan-American Congress had, as already seen, been overruled by the passage of the act for its organization, but the "International American Conference," which came together in Washington in 1889, pursuant to the provisions of the law, proved to be a great disappointment to those who had been confidently hoping for some progress in the direction of South American reciprocity. After elaborate deliberations, a report was finally rendered in which it was distinctly stated that no such idea as that of a customs union could be enter-

tained. The report of the majority of the delegates first proceeded to define the term "customs union" as follows:

"The inclusion of several nations in a single customs territory so that the nations forming the union collect import duties on foreign goods under substantially the same tariff laws, divide the proceeds thereof in a given proportion, and reciprocally receive as domestic goods and therefore free of duty, their respective natural or manufactured products." [15]

Of course, the idea of such a customs union would have implied a much closer relationship between the United States and the South American countries than could be deemed practicable. It would have meant practically that we had succeeded in forcing our tariff system upon the smaller countries associated with us, and that we had secured the territory of these smaller states as a field for the sale of our manufactures. Reciprocally it would have implied that we had consented so far to sacrifice the interests of our farmers and cattlemen as to admit free the supplies of such things as wool, sugar, hides, etc., which could be sold under advantageous conditions in our markets by the South American countries.

Three reasons were assigned by the majority report for not proceeding with the idea of a customs union. It would have involved a fundamental change in the laws of the nations adopting it; it would have been impossible to decide upon a basis of representation in any board to which the control of such a customs system might be confided that would be satisfactory to the smaller countries concerned; and finally, it would have been impracticable even under favorable circumstances to put such a scheme into operation. The verdict, veiled in diplomatic language, was in fact a most destructive criticism on the idea of a customs union. There was certainly not much left of the idea if it was both undesirable and impossible from a legal standpoint; if it could not be arranged on any basis of international comity; and if it was impracticable to carry the plan out.

[15] Report of the majority of the Committee on Customs Union, International American Conference, Washington, 1890, Vol. I., p. 103.

A good deal of light was thrown upon the whole question of South American reciprocity by the debates in the convention. Although the majority thus found the notion of an unrestricted tariff union impracticable, it did conclude that the negotiation of reciprocity treaties by gradual steps would be a desirable plan of action. It, therefore, recommended this course, suggesting that the free list should be extended as fast as such extension appeared to be to the interest of the various negotiating nations. As a practical proposal the committee made the following clear-cut recommendation:

"The first and most efficient step * * * is the negotiation of partial reciprocity treaties among the American nations whereby each may agree to remove or reduce the import duties levied by it on some of the natural or manufactured products of one or more of the other nations, in exchange for similar or equivalent advantages. * * * If, after this has been tried for some time, the results should be as satisfactory as is to be expected, the number of articles on the free list might be enlarged in each case from time to time until after the lapse of a few years, when the development of the natural elements of wealth should have enabled each nation to obtain or increase its revenue from domestic sources, unrestricted reciprocity or a free trade among some or all of the American nations should at last be attained." [16]

Not even this suggestion, which would have practically endorsed the system of reciprocity already attempted by the United States, was acceptable to all of the delegates. A minority report was presented, signed by the representatives of Chili and the Argentine Republic, in which it was recommended that the proposal for a customs union should be rejected and no substitute, not even that of restricted reciprocity, offered in its stead. The report of the majority in fact received a vote of only twelve delegates in the affirmative, there being three negative votes—those of the Argentine Republic, Bolivia, and Chili, while the representative of Paraguay abstained from voting.[17]

[16] *Ibid.*, p. 1045.

[17] For report and debates of the International American Conference see reports of the majority and the minority of the Committee on Customs Union with discussion thereon. "International American Conference, 1889-90," Vol. 1, Washington, 1890.

The debates of the International American Conference are of chief utility in throwing light upon the difficulties of South American reciprocity when based on the principles upon which we had been endeavoring to establish it. The obstacles were set forth very clearly by the representative of the Argentine Republic in the following words:

"It is a mystery to no one that the nations of [South] America sustain and develop their trade by their relations with Europe. The economic phenomenon is explained naturally and without effort. Our wealth consists of the products of the soil and if there be on the continent a market which at the same time is a manufacturing one, it should deserve especial considerations. * * * The reciprocal trade of our countries will develop slowly, without conflict between the producing and the manufacturing markets. * * * I am far from opposing free trade: I only combat the sumptuary declarations that would be as unfavorable as they would be profitless to the commerce of America."[18]

The same delegate sketched the conditions of the Pan-American market with regard to manufactures as clearly as he had the agricultural situation, showing that trade in manufactures must be the basis for international relations between the American republics:

"Commercial statistics," said he, "show that all the intercontinental trade is due to this one factor, namely, the manufacturing market of the North. But has that trade reached that degree of development which it has the right to expect? Does it satisfy the aspirations of the continent in so far as its desire to see its resources increased and transformed within its own borders is concerned? Figures answer in the negative."

It was shown that the total importations of Latin-America at the time amounted to $560,000,000, while the total exports of the United States were $740,000,000. Of this latter sum $52,000,000 or about seven per cent. went to Latin-America. From South America we imported $120,000,000 worth of articles, thus leaving an unfavorable balance of trade of $68,000,000.

[18] Report, *ante cit.*, p. 113.

Commenting upon this, the Argentine delegate came close home to the real difficulties of the situation as follows:

"The United States manufactures the same goods we buy of Europe. From furniture to clothing, from the implements that till our fields to the wire which fences them, and even to the rails which, at no distant day, will connect the three Americas, everything is found and produced in this prodigious centre of human industry; everything exists and can be fully worked up on our soil. Why then should raw materials change their course toward Europe? What reasons exist for our commercial currents being sluggish when the rest of America produces what the United States need to elaborate and to command with their resources the commerce of the world? * * * Three systems suggest themselves and are rejected at the same time. The truth is the real difficulty is not ascertained, perhaps because the remedy would be too violent, or because it is judged easier to correct the institutions of others than our own." [19]

After this home thrust at the tariff system of the United States, the speaker went on to suggest the outlines of the three kinds of tariff systems to which he had referred, namely, absolute free trade, a customs union including both American continents, and reciprocity treaties covering the same ground. In every case he showed that thorough-going steps in the direction of greater liberality were of necessity thwarted by the tariff policy of the United States. This charge was made most clearly in connection with the plain question "Would the United States modify its tariff?" To that question he himself responded as follows:

"It might be believed they would, since they have proposed to us the discussion of this subject; but if they had been disposed to agree to the abolition of custom houses in the states of the Zollverein [in South America] and to tariff reforms with states not included in the union this latter resolution would of itself have brought about the desired end. When protection shall be removed from the producer of raw materials so that the manufacturer may work at the same cost as that prevailing in the rest of the world; when the customs laws shall cheapen the products which are auxiliary to manufacture, the latter

[19] *Ibid.*, p. 114.

will be fully armed for competition, will have dominated the continent, and Europe will have surrendered the post without struggles between different duties, without disagreeable attacks, without confederations or uncertain compacts." [20]

Further on, the position of the American agriculturist was thus discussed:

"The wool grower [American] is protected by a duty of forty-five per cent., which reaches sixty per cent. as against the Argentine growers. The manufacturer pays without resistance because he charges it to the consumer and in turn enjoys a protection of twenty-five per cent. on his manufactures. So long as the exchanges are made in the home market the values maintain a proportional relation and the consumer pays all; but when the article crosses the frontiers and meets with similar articles introduced by Europe the manufacturer encounters the forty-five per cent. he has paid the producer and appreciates the absence of twenty-five per cent. which protected his fabric."

While there were few, if any, delegates who came out as clearly as the author of the remarks just quoted, there was a general feeling of approval for this point of view which augured very ill for the future of the customs union idea. It became perfectly evident that the kind of reciprocity which the United States had sought to practice in its commercial treaties with the South American states subsequent to 1880 was thoroughly well understood by those countries, and that they did not intend to be led into surrendering their own markets to American manufacturers without an equivalent return.

[20] *Ibid.*, p. 121.

CHAPTER V

RECIPROCITY AND THE SUGAR SITUATION

It would be difficult, if not impossible, to understand the history of the reciprocity controversy during the decade 1890-1900 did we not take into account the condition and development of the sugar industry of the world and the subsequent effort in the United States to stimulate beet sugar culture during the ten years in question. The South American Commission had reported, as we have seen, that, in attempting to secure reciprocity with the South American countries, it was necessary for us to admit either free or on favorable terms their principal staples. Among such staples the commission mentioned most prominently the two commodities, wool and sugar. With the strong upward tendency of the protectionist spirit as regards wool and wool growing in the United States, it was scarcely to be anticipated that such encouragement would be given to wool imports in the immediate future. Of the two articles mentioned by the South American Commission, therefore, there remained but one—sugar—which could safely be expected to form a basis for the negotiation of reciprocity treaties. This expectation, it will be recalled, might be based upon the fact that little or no sugar was produced in the United States, and that sugar was, therefore, a commodity which could be used as a foundation for reciprocity without exciting the opposition of any strong domestic interests. Yet, by 1890, it must have been clear to every one who thought carefully over the subject that the free introduction of sugar into the United States would necessarily affect European conditions in the production of that

article, and that a similar influence would be indirectly felt by the sugar industry of the South American countries.

Not much need be said concerning the production of cane sugar in tropical countries. In the beginning of the sugar industry this was, of course, the principal—practically the only—source of supply. It was a long time before the methods of cultivating the sugar beet and of extracting its saccharine product reached such a degree of efficiency that they could be expected to furnish a considerable supply of sugar, even with the assistance of bounties. That being the case, the cane sugar industry was, during its earlier stages, permitted to develop itself naturally and easily in the tropical countries, where it was an indigenous product. There is no more to be said in this connection concerning its history than concerning that of many other kinds of tropical commodities produced for export to temperate countries. Sugar gradually became a much-desired commodity of wide usefulness and extended consumption. As such it was naturally a fit subject for taxation from the revenue standpoint. Many countries early imposed sugar taxes when they learned how large and permanent a revenue could be earned by them from this source. As we shall see, however, the cane sugar industry, in its later history, was not allowed to develop without competition from other sources. A good many causes led to the growth of a desire on the part of European governments to introduce the sugar industry into their home territory. After the consumption of cane sugar had reached a tolerably advanced stage it became a hardship to many classes to do without the product, and it was felt that in case of war, or other interference with imports from outside sources, it would be expedient to have at hand a regular and steady supply of domestic sugar. Beginning in this way the beet sugar industry in some countries did not, however, take on a phenomenal growth until stimulated by an entirely different set of forces. After the Civil War in the United States our exports of agricultural products came to be more and

more the reliance of Europe. Their importation meant that the producers of agricultural products in those countries must be subjected to very severe competition or must go out of the production of those staples entirely. It became evident that our cheap and fertile land, aided by the enormous growth in steam transportation both by water and by the extension of railways over the plains of the West, gave us a differential advantage in the production of cereals, against which the European agriculturist could scarcely hope to struggle. That being true, it seemed wise for him to pursue the cultivation of some other crop. In the search for such a crop the sugar beet naturally suggested itself with renewed force, and thus again an impetus was given to the beet sugar industry. When once the interests of European countries had become thoroughly enlisted in this way on behalf of the beet industry, political considerations speedily became involved in the policy of assistance through bounties. Moreover, as is always the case, an entanglement with the bounty system naturally led the various governments into deeper and deeper difficulties, until at last the sugar problem became involved with the general question of protecting home industry. In an earlier chapter of this book we have seen that subsequent to 1873 a wave of protectionism rolled over Europe with irresistible force. The great attention given to beet culture, and the elaborate system of bounties which had been built up, date from somewhat the same period, although they had begun in a moderate form much earlier, and although they did not reach the extreme until somewhat later. The rise of the spirit which produced the bounty system is, however, practically contemporaneous with the great protectionist revival after the Franco-Prussian War.

As has already been said, it would not be necessary to speak of the sugar industry more than of others, in connection with a discussion of reciprocity, had the beet sugar question not been developed to so acute a stage. It has been seen, however, how sugar was thought of from the beginning.

We had already an experience with that product in the case of Hawaii, which had become utterly dependent upon us for her sugar market. It had been inferred by our statesmen from this experience that by a judicious use of concessions in sugar we might buy the commercial allegiance of countries whose industrial welfare was bound up with the future of that commodity. Moreover, since we did not produce sugar to any great extent in the United States, it was to be expected that the opposition to free raw sugar would be much less vigorous than to the free introduction of goods which were produced in this country in competition with foreigners. It would seem, therefore, that sugar was a commodity naturally marked out for use in reciprocity treaties. That it had already been mentioned in some unratified reciprocity treaties, we have already seen. The South American Commission had specifically pointed to wool and sugar as the two articles on which treaties with the South American countries must be based. Had it not been, therefore, for the artificial stimulus given to the beet sugar industry in Europe and later in this country, we might at least have preserved sugar as a basis for reciprocity; but this was rendered impossible, partly by the development of the European sugar problem to an acute stage and partly by the double-faced attitude adopted by the McKinley Act in 1890. This act, as will be seen, admitted raw sugar free, and thus, as it later turned out, held forth false hopes to beet sugar countries—hopes which were not permanently justified—while at the same time it created the beginning of a beet sugar industry in this country by the offer of a large bounty. Thus were sown the seeds of difficulty, which afterward resulted in cutting us off from sugar as a reciprocity commodity. At the same time we became involved in the difficulties of European countries with the sugar problem and hostility was aroused between them and ourselves when we later, largely in response to questionable private influences, refused to grant them the free use of our market and imposed a counter-

vailing duty upon their product. Our difficulties with the colonial situation after we had absorbed Porto Rico, conquered the Philippines, and made Cuba dependent upon us, were also largely attributable to the state of things in the sugar market. Thus it appears that an economic problem of great complexity is approached when we undertake the study of reciprocity in relation to the sugar industry. While it is impossible in a work of this character to treat of this elaborate and complicated subject with the detail it deserves, it is necessary in the present chapter briefly to review those conditions which gave rise to the so-called "sugar problem," which reached its critical point at about the time when we made our fatal misstep in the McKinley Act. We will first undertake to review very briefly the bounty system as it has grown up in four principal beet sugar countries—France, Germany, Austria and Russia. It will also be desirable to devote some time to the statistical aspects of the problem, after which some description may be given of the efforts hitherto made to escape from present difficulties. Of the sugar problem, as such, something more will be said in the last chapter of the present work, where we shall deal with the future prospects of reciprocity.

"The European sugar industry," it has been recently stated, "owes its very inception to the political exigencies of the early part of the nineteenth century, when, by reason of the continental blockade, the importation of colonial cane sugar to the European continent became impossible. When, with the downfall of Napoleon and the restoration of normal trade conditions, cane sugar began to be imported again, it was only through the favors shown by the governments of these days that the young industry was able to continue its existence. Both in France and Germany, for some time at least, cane sugar was subject to an import duty, while the sugar obtained from domestic beets was left free of taxes. Such a situation naturally resulted in a bounty to the domestic

grower and manufacturer, the extent of which was measured by the duty imposed upon the imported cane sugar. Inasmuch, however, as the sugar obtained from beets during the earlier period of the industry did not constitute an article of export, the existence of the bounty could not give rise to any international complications. This state of things was at once changed when beet sugar, in its turn, began to be exported. The immediate result of this development was seen in the struggle of the cane and beet sugar interests in Germany and more especially in France." [1]

The general state of things thus briefly sketched requires some elaboration. The methods by which the beet sugar industry has been developed to its present commanding position as a competitor may first be traced in France, which is really the home of the beet sugar industry. France practically originated not only the culture of the sugar beet, but the manufacture of refined sugar from the beet as well. Within the country itself there has been a more genuine and vigorous struggle between the beet and sugar cane interests than there has been elsewhere. It is not necessary to go into the details of the early sugar legislation of France. During the Napoleonic wars there had been imposed a high tariff on the colonial (*i.e.,* cane) product, and certain bounties had been paid to the beet sugar producer. Moreover, the famous Berlin and Milan decrees would alone have wiped out the trade in sugar as they did that in all other articles produced in the colonies. The bounties were abrogated at the close of the war, and much the larger part of the annual consumption of the country was imported. The beet sugar industry which before very long showed distinct signs of recovering from the depression was, however, vigorously attacked through the operation of a special advantage obtained by the cane sugar interests. The latter had been in the habit of receiving a refund of the

[1] The World's Sugar Production and Consumption, Treasury Bureau of Statistics, Jan., 1902, pp. 2590-91.

tax paid on refined sugar when exported. Owing to defective methods of estimating the relation between the raw and refined products, these refunds shortly came to absorb more than the amount of the difference on which they were based. This was equivalent to a differential in favor of the cane sugar. By 1835 the income to the State from sugar had fallen from 50,000,000 francs to only 31,000,000 francs, the difference being due largely to the refund just described, which had the effect of a direct bounty on the cane sugar imported from the colonies.

A continuous fall in the price of sugar followed the passage of the law of 1837. Although a tax of 15 francs per hundred kilograms was imposed by that law upon beet sugar, the production of that article increased despite the tax. This proved very disastrous, both to the cane and beet interests of the country. As a result of the unfortunate situation the cane sugar interests succeeded in getting a reduction of the import duty on raw sugar, while 166 beet sugar factories had to go out of existence. The improvement in price resulting from these changes was only temporary. It was proposed at about the same time that the conduct of the beet sugar industry should be taken over by the State, and that a sum of 14,000,000 francs should be paid to the manufacturers in order to indemnify them for the sacrifice of their property. Finally (1840), it was decided that a new system of taxation should be introduced, as a result of which a considerable indirect bounty as compared with cane sugar was practically given to domestic sugar growers through a fiscal discrimination in their favor. This bounty was, however, considerably smaller than the indirect bounty previously existing. The bounty was, in fact, reduced to 20 francs per hundred kilograms, in place of 49½ francs; and, as a result, a considerable number of factories were obliged to close. Three years later new legislation placed both imported and domestic sugar upon an equal footing. As a result of the revolution of 1848, slavery

was abolished in the French colonies, and a large decrease in the colonial production of sugar resulted. This somewhat stimulated beet culture in France. Consumption of sugar in France as compared with that in other countries was, however, small. The bounty which resulted from the earlier legislation went almost wholly to the refiners rather than to growers, owing to the strict oversight of raw (beet) sugar production and the looser system of inspecting the refineries and taking account of their product. The bounties were very distasteful to those who were producing raw sugar, and who were able to attract to themselves none of the discriminating advantage gained by the refiners to whom they sold.

As time went on French sugar came into active competition with German. Prior to 1875 France had probably produced more sugar than any other European country. In 1874-1875, however, a radical change was introduced into the German sugar situation. Even before that time the German sugar industry had been developing to no inconsiderable extent, and France was also pressed in other directions by competition in the production of sugar. From 1865 to 1869 there is a decided decline in exports. This was due to the reduction in the French tariff duties on foreign sugar, which resulted in admitting a considerable quantity of the outside product in competition with the domestic. After 1870 exports increased sharply, but when the year 1875 was reached there came a turn in the tide, and there was a very distinct tendency of exports to fall off. From 1875 to 1885 this falling off amounted to more than 55 per cent., while on the other hand the exportation of German sugar was rapidly growing. The French industry had, in fact, fallen into an exceedingly depressed condition relative to that of Germany, for there had been no such improvement in the quality of the beets cultivated, as had been the case in the latter country, while the technical gains made by Germans had not been approached by the French. As late as 1885-6 not more than 50 per cent.

of the factories in France were equipped with the best machinery for the production of sugar. In fact, the policy of the beet grower in France had been entirely different from that of his rival in Germany. The effort had been made not to cultivate the beets containing a maximum percentage of sugar, but rather those which would furnish the greatest actual weight of beets, and thus provide a certain amount of feed for cattle as well as fertilizer for the fields. Beet growing in France had been carried on in fact with a great deal of skill, but chiefly from the general agricultural standpoint. It had been a subsidiary crop. This, however, was not a policy which was likely to put the producer of raw sugar into condition to compete on favorable terms with foreigners, who largely controlled the cultivation of beets in connection with the factory, and who had the production of maximum quantities of sugar as their primary object.

Moreover, the system of taxation in France was not such as to yield the same kind or extent of bounty as that which was gained by the German producer. In Germany, this tax was levied on the presumed yield of sugar from a certain weight of beets. If, by improved processes, the yield of sugar was greater than expected, the German producer obtained a special gain equivalent to a bounty. In France, on the other hand, the sugar was not taxed until ready for consumption, so that there was no possibility of a variation between a presumed and an actual yield of sugar which might result in such an indirect bounty. Thus, when, in 1884, the new German system of legislation went into effect, with its fictitious relation between the presumed and actual yield of sugar from a certain weight of beets, that presumed yield being, as a matter of fact, even lower than the actual average yield in France, it naturally tended to accentuate the amount of advantage enjoyed by the German producer. In 1884, this system was copied from Germany and was incorporated into the French fiscal system, with the design of putting French manufacturers

into a position to compete with those of Germany. The legislation went even beyond the figures fixed by Germany, reducing the average yield of sugar upon which the tax was to be computed considerably below that which prevailed in Germany, and going even below the real average yield in France. Naturally the results which had been previously observed in Germany were later to be witnessed in the French export trade. Whenever sugar was now exported, and, under the new law, the full amount of the tax (based upon the supposed yield) was returned to the producer, a bounty came into existence. At the same time an equivalent bounty was ordered paid to colonial producers of cane sugar who sent their product to France to be refined. Internally beneficial effects from adopting the German system were also witnessed. A better grade of beets was grown, and the improved machinery designed to secure higher yields of sugar was rapidly introduced. Thus it became possible to pay more to the beet grower and, in consequence, the cultivation of beets became much more popular than it had been. The outcome of the whole process was that the bounty paid exceeded the income from the tax. This led to new legislation, in which the amount of sugar expected from a given weight of beets was increased, and the bounty was correspondingly reduced. All the excess over and above the presumed yield was also subjected to taxation, although the rate fixed for the taxation of such surplus yields was very much reduced. At the present time all sugar "up to 10.5 per cent. of the total yield is taxed at the rate of half the normal tax, and quantities representing an excess yield above 10.5 per cent. are taxed at one-quarter of the normal tax." Thus, the domestic bounty is clearly recognized by the law.

The history of sugar in France shows that the high internal revenue tax has kept consumption from increasing in any very marked degree. That being true, an increase in the output of sugar brought about by the large bounty granted

to producers necessarily resulted in a disproportionate exportation of sugar. The tendency to a decided development of sugar exports, at the expense of home consumption thus noted, was also stimulated in 1896 by the direct bounty on exports granted by the French government, in addition to the indirect bounty whose working we have already described—a step thought to be rendered necessary by the similar action of Germany. This direct bounty was fixed at 3.5 francs and 4.5 francs per hundred kilograms, according to the grade of sugar exported. At the same time that the additional bounty was granted, a fresh internal revenue tax of 4 francs on every hundred kilograms of refined and 1 franc on every hundred kilograms of raw sugar produced was created. This, of course, caused an increase in the expenses of production, higher prices to the domestic consumer, and a diminished home consumption. In fact, the French sugar producers from year to year came into a position of greater and greater dependence upon the foreign market, relying very largely upon that of England and, of course, to a large extent also upon that of the United States. While it does not appear that a regularly organized trust or agreement between producers has been established in France—not, at least, in the form in which it exists either in Russia or in Germany—there can be very little doubt that a system of "gentlemen's agreements" have resulted in a highly centralized control of the industry. This is the opinion of most Americans who are familiar with the French sugar situation. Professor Jenks, who devoted some time to an examination of industrial combinations in Europe, expresses the same view.[2] The closeness of this agreement is largely due to the fact that the number of refineries in France is very small, amounting probably to not more than seven as a maximum. In general the method employed in fixing the price is that of a division of territory and a limitation of production.

[2] Report of Industrial Commission, Washington, 1901, Vol. 18.

The trust, if it can be called such, does not seem to attempt to regulate prices, that being against the law. The profits of the French refiners have, however, been extremely, not to say exorbitantly, high. It is, moreover, confessed, as we have already pointed out, that they depend chiefly upon the export trade, their sales of sugar being made to the foreigner at a price which perhaps would not cover the cost of production, but which, taken in connection with the domestic bounty, places them in a very satisfactory condition.

In the following table are given some figures illustrative of conditions in France, and the dependence of the sugar trade upon the foreign market:

IMPORTS INTO AND EXPORTS FROM FRANCE OF SUGAR DURING THE YEARS 1865-1890.

[In metric tons of 2,204.6 pounds.]

YEARS.	IMPORTS OF ALL GRADES OF SUGAR IN TERMS OF RAW SUGAR.			EXPORTS OF—			Excess of imports (+) or exports (−).
	From foreign countries.	From French colonies.	Total.	Refined sugar.	Raw sugar.	Total (in terms of raw sugar).	
	Metric tons.	*Metric tons.*	*Metric tons.*	*Metric tons.*	*Metric tons.*	*Metric tons.*	*Metric tons.*
1865.....	133,210	84,440	217,650	112,230	28,372	153,072	+ 64,578
1866.....	80,682	100,319	181,001	90,063	26,628	126,698	+ 54,303
1867.....	76,694	99,441	176,135	87,300	27,788	124,788	+ 51,347
1868.....	103,500	85,800	189,300	84,955	28,074	122,468	+ 66,822
1869.....	115,726	86,044	201,770	102,281	25,948	139,593	+ 62,177
1870.....	94,102	94,805	188,907	101,638	78,037	190,968	— 2,061
1871.....	79,695	77,645	157,340	82,432	109,403	200,994	— 43,654
1872.....	90,678	75,384	166,062	143,549	96,689	256,188	— 90,126
1873.....	95,904	80,985	176,889	154,057	68,413	239,587	— 63,698
1874.....	77,100	80,832	157,932	187,450	111,306	319,584	—161,652
1875.....	110,524	92,551	203,075	217,290	92,426	333,859	—130,884
1876.....	92,420	86,863	179,283	188,132	43,203	252,239	— 72,956
1877.....	101,769	83,070	184,839	161,026	60,096	239,014	— 55,175
1878.....	78,027	88,604	166,631	174,354	46,269	239,996	— 73,365
1879.....	71,462	87,921	159,383	151,312	22,183	190,305	— 30,922
1880.....	136,114	74,960	211 074	129,704	23,810	167,926	+ 43,148
1881.....	151,549	74,519	226,068	115,347	37,433	165,596	+ 60,472
1882.....	146,413	92,106	238,519	118,180	39,746	171,060	+ 67,459
1883.....	129,339	76,186	205,525	122,684	46,930	183,246	+ 22,279
1884.....	157,850	90,225	248,075	113,675	20,836	147,141	+100,934
1885.....	163,758	106,485	270,243	83,462	8,797	101,533	+168,710
1886.....	59,638	94,063	153,701	118,569	25,052	156,795	— 3,094
1887.....	29,059	130,713	159,772	155,197	5,982	178,323	— 18,551
1888.....	83,859	125,955	209,814	115,829	46,053	174,751	+ 35,063
1889.....	50,286	110,408	160,922	139,746	133,025	288,298	—127,376
1890.....	32,597	102,536	135,133	153,538	199,989	370,587	—235,454

FRANCE.

[1 metric ton=1,000 kilos. 1 kilogram=2,204.6 pounds. 1 franc=19.3 cents.]

PRODUCTION, IMPORTS, AND EXPORTS OF SUGAR FROM 1884 TO 1900.

[All quantities expressed in terms of refined sugar.]

CROP YEARS.	Home production (refined).	Calendar years.	IMPORTS.		EXPORTS.		
			French colonial sugar (raw).	Total.	Raw domestic.	Refined.	Total.
	Kilograms.		*Kilograms.*	*Kilograms.*	*Kilograms.*	*Kilograms.*	*Kilograms.*
1883-84..	406,008,000	1883	68,568,000	179,590,000	42,237,000	122,684,000	164,920,000
1884-85..	272,962,000	1884	66,372,000	193,447,000	18,752,000	113,675,000	132,427,000
1885-86..	265,071,000	1885	98,720,000	247,444,000	2,783,000	71,166,000	73,949,000
1886-87..	434,044,000	1886	88,210,000	144,314,000	19,447,000	117,226,000	136,672,000
1887-88..	347,785,000	1887	110,056,000	146,124,000	3,945,000	153,924,000	157,869,000
1888-89..	414,870,000	1888	115,765,000	192,955,000	41,448,000	115,907,000	157,355,000
1889-90..	700,409,000	1889	100,916,000	147,157,000	119,714,000	139,844,000	259,559,000
1890-91..	615,959,000	1890	96,862,000	132,956,000	179,990,000	152,840,000	332,831,000
1891-92..	579,420,000	1891	89,148,000	142,370,000	147,589,000	121,053,000	268,642,000
1892-93..	523,366,000	1892	92,778,000	149,451,000	88,526,000	126,576,000	215,102,000
1893-94..	514,789,000	1893	102,737,000	131,609,000	139,585,000	113,783,000	253,368,000
1894-95..	704,454,000	1894	102,205,000	156,781,000	147,364,000	130,881,000	278,246,000
1895-96..	593,647,000	1895	87,969,000	127,622,000	85,206,000	119,901,000	205,107,000
1896-97..	668,517,000	1896	112,654,000	146,386,000	112,256,000	110,764,000	223,020,000
1897-98..	730,068,000	1897	114,344,000	115,860,000	309,359,000	142,976,000	452,335,000
1898-99..	737,902,000	1898	89,209,000	91,064,000	157,769,000	126,869,000	284,638,000
1899-1900	869,201,000	1899	96,986,000	98,308,000	190,429,000	149,234,000	339,663,000

The great development of the beet sugar industry in Germany is, as in most other countries, a matter of very recent date. There had been a limited growth of the product from 1800 to 1860, and down to 1840 the manufacture of beet sugar had not been taxed. The heavy customs duty on imported cane sugar (roughly speaking, during the second quarter of the century) was therefore equivalent to a large bounty on the growth of German beets. As a consequence of this attitude on the part of the government, beet sugar so far supplanted that produced from imported cane that, because of the falling off in the customs receipts from imported cane sugar, it became necessary to tax the product from beets. The first internal revenue tax was imposed in 1841, and was gradually raised until 1851. Two years later it was doubled. Efforts had already been made to obtain a return of this internal revenue tax on beet sugar whenever it could be shown that the product had been exported. The application had, however, been de-

nied, probably on account of the danger that sugar, relieved of the internal revenue tax, might be smuggled back into the country again, and partly because of the difficulty of computing the exact amount of sugar produced by given quantities of beets. Should any miscalculation take place on the latter point, the natural result would be the payment of an indirect bounty. The beet sugar industry, however, continued to develop to such a remarkable extent that it almost drove cane sugar from the market. Over-production caused serious suffering. At last, in 1861, it was decreed that the domestic tax on beet sugar should be returned to the producer at a specified rate when exported. Both the internal revenue duty and the rate of drawback were gradually increased from time to time.

It had been maintained from the start that improved methods of cultivation and production had made the customs drawback practically equivalent to a bounty. The information available concerning the situation during the earlier years of the drawback legislation are, however, insufficient to supply trustworthy data concerning the exact extent of the bounty, if there was one. There seems to be much reason to doubt whether the bounty actually existed for a good many years after the legislation already sketched had been initiated. The truth seems to be that, quite apart from the bounty, the great growth of sugar growing in Germany was due to the application of more scientific prineiples, both in raising beets and in working them up. After 1870, German producers were very successful in selecting the proper seed and improving the grade of beets used, thus largely increasing the sugar content, and in applying processes which were effective in extracting a much larger percentage of the sugar in a given weight of beets. The fact that the agriculturists engaged in producing beets very soon came into close financial relations with the factories was also a great stimulus. This enabled the factories to dictate the character of the beets which were

planted, and it also gave the beet growers a direct interest in securing as large a product as possible, both of beets and of sugar, because they became financially interested in the profits of the factories.

In consequence of this great development in the production of beets and the manufacture of sugar, two distinct results were brought about. By 1875-6 the importation of sugar practically dropped to zero, that being the last year when the imports of foreign sugar were larger than the exports of the domestic product. The second result was the invasion of foreign markets by domestic sugar—a process which would probably not have been possible except for the assistance yielded by the bounty already described. This bounty was, of course, growing larger from year to year, as the improvement in processes of production raised the quantity of sugar manufactured from a given weight of beets. It was impossible that the sugar producer should suffer any loss by shipping his product abroad, for he was effectually protected by the bounty. Hence the development of the industry was progressive and the area devoted to beet culture became larger and larger. By 1880-1 exports abroad were greater than domestic consumption, so that the industry had become primarily devoted to manufacturing for other countries. In 1899-1900 there were produced in Germany a total of 1,691,258 metric tons of beet sugar, while exports were 976,165 tons, or 58 per cent. of the total. In 1894-5 they had already risen as high as 72 per cent. of the total.

The growing discrepancy between the ratio of beets worked up and the sugar actually produced from them, on the one hand, and the official estimate on the other, inflicted heavy losses on the Treasury from the moment when the export of beet sugar began to reach any considerable figures. From $10,708,000 in 1882 the amount of the bounty to exporters grew to $30,572,000 in 1885. In the latter year, therefore, more than $30,000,000 of the sugar tax, which had in all amounted to

about $40,000,000, was paid out again in the shape of drawbacks. The government was on the verge of losing its entire income from the taxation of sugar, and in order to counteract this danger it was determined to alter the system of taxation. On July 9, 1887, it was ordered that the older tax on beets should be reduced by more than 50 per cent. A new tax on sugar consumed at home was introduced. In 1892-3 the tax on beets was done away with, and the tax on sugar for home consumption was raised from 12 marks to 18 marks per hundred kilograms. In 1896 this consumption tax was raised to 20 marks per hundred kilograms, at which point it remains fixed at the present time. During the period when changes in this system of taxation were in progress, the indirect export bounties of which mention has been made were, at first, reduced, and later (in 1891) they were superseded by direct bounties. Moreover, a system was introduced in 1896 whereby it was sought to limit production and thus to limit exportation, thereby reducing the amount of bounty paid by the government. The new legislation was successful in its object of partially protecting the government from the inroads of the manufacturers, for the output, although increasing slightly from 1895 (the last year before the introduction of the new legislation), was much more largely consumed at home than it had been. Exports fell off somewhat in absolute amount, but relatively to total production their decline was much more marked, going from 72 per cent. in 1894-95, as already indicated, to 58 per cent. in 1899-1900.

The change in the German sugar situation thus produced aggravated the difficulties with which the industry had for a long time supposed itself to be struggling. It had been thought that a remedy might be found in such organization as would put the industry under a centralized control, permitting certain economies as well as certain restrictions upon the amount of the production. This combination was at last brought about in the latter part of 1900. It consisted of two

distinct organizations. One included all those sugar producers manufacturing raw sugar direct from beets and the refiners who worked up the raw beet sugar into a marketable product. The other organization included those producers who manufactured a marketable white sugar product direct from the beet and those refiners who produced refined out of raw sugar. It should be understood that there are, in fact, three classes of sugar factories in Germany. One produces raw sugar direct from the beet, a second produces refined marketable sugar direct from the beet, while the third manufactures a refined marketable white product out of the raw sugar. Some factories do two or more of these processes, but in general they may be classified as above stated. It appears from what has been said that the factories which produce the marketable product direct from the beets stand in a sense midway between the producers of raw sugar and the manufacturers of refined from raw. In forming the combination, however, it was deemed advisable to recognize the two parts already spoken of, one of which was to be regarded as primarily consisting of those who manufacture raw sugar, the other as consisting primarily of refiners, while those who produced marketable sugar direct from the beets might be classed either with the raw sugar producers or with the refiners. The object of the combination was to have the refiners—the second of the groups mentioned above—guarantee to the producers of raw sugar a certain minimum price whenever the market price of the raw product falls below a certain specified level.

In accordance with this object, the refiners have established a normal price (on raw sugar) for home consumption of 12.75 marks per 50 kilograms of 88 sugar. Each month the refiners, the factories which produce marketable sugar direct from the beet, and those who produce sugar from molasses, pay to the refiners' syndicate, on the amount of their production for home use, the difference between the normal price

thus fixed and the price in the world's market. To this sum 10 per cent. of such difference is added in order to meet the expenses of carrying on the combination. This amount is then paid by the syndicate to the producers of raw sugar in proportion to the amount the latter are allowed by the state officials to produce. The service performed by the raw sugar factories in return for the payment thus made to them is the acceptance of an agreement to produce no refined sugar for home consumption and to sell their raw sugar for home consumption only to the factories belonging to the combination. Outside of this agreement the factories are left free to sell their raw sugar abroad at whatever price they can get. Thus, if the price of refined sugar in the world's market rises to the price fixed by the combination, there is nothing to be paid by the refiners to the raw sugar producers; again, if the price of raw sugar in the world's market drops below a certain point nothing further is to be paid by the refiners to the raw sugar producers, for the total compensation for fall in price below the normal to be made by the former to the latter is limited to 3.40 marks per 50 kilograms of production. The price of raw sugar in the world's market is, of course, determined by a process of competition outside the control of the trust.

Speaking of the effect of this combination, the details of whose organization are too complicated to be followed more at length, Prof. J. W. Jenks reported to the Industrial Commission [3] that:

"It should be noted that the effect of this combination is likely to be felt chiefly by the home consumer. The producer of raw sugar is guaranteed a living profit. Owing to the command that he has of the home market, the refiner can practically secure for himself likewise a living profit from the consumers, but there seems to be no way for the consumer to avoid paying a high price for sugar in order to have the industry maintained. At the rates that have been given there is, of course, a possibility of competition arising outside of those belonging

[3] World's Sugar Production and Consumption, *ante cit.*, p. 2601.

to the combination, but with so great a percentage as is now included in the combination working together, and with the certainty that any attempts to start new refineries or new sugar factories outside would be met at once by positive competition of the most vigorous kind on the part of the combination, there seemed little likelihood of the combination being broken."

From what has been said, and from the fact that the sugar "cartel" (or "Trust") is confessedly an institution for the insurance of its members against low selling-prices, it can be seen how injurious it is certain to be to the consumer. It is upon the consumer that the burden of the higher prices must fall, for only from such high prices would it be possible for the raw sugar manufacturers to gather in the funds which are turned over to them by the refiners who draw them direct from the consumer.

"The two conditions which enable the working of such a system are: first, an agreement between the raw sugar manufacturers, by which the former are restricted to the manufacture of raw sugar only, which they are to turn over to those refineries only, which are members of the Refiners' Combination, and the latter agree to buy raw sugar for refining only from those factories which are members of the Manufacturers' Combination; second, the existence of a surtax on imported sugar—that is, an import duty higher than the domestic excise tax. Without the latter, of course, any excessive increase in price would invite competition of imported sugar."[4] Just what has been the effect of this elaborate and highly organized scheme for mulcting the consumer with the assistance of the government, thereby throwing into the hands of German producers a satisfactory profit, and at the same time furnishing sugar on low terms to the foreign consumer, may be seen from the fact that the London price of German granulated sugar varied between 27.36 and 21.75 francs per

[4] Monthly Summary of Commerce and Finance of the United States, January, 1902, p. 2601.

hundred kilograms during 1901, while the price of the same sugar at Magdeburg ran substantially from 72.375 to 70.500 francs. The excise tax and the export bounty being reckoned at 29.4 francs, the difference between the price of crystals in Magdeburg and the price in German granulated at London was from 15.615 to 19.350 francs during 1901. In general, it seems to be the opinion of the best authorities that from 15 to 16 francs per hundred kilograms is paid by the German consumer to the sugar trust, a total of about 100,000,000 francs annually. This sum is probably divided nearly equally between the raw sugar producers and the refiners.

In the table on following page some of the more important figures for the study of the German sugar situation in its bearing on the world's sugar problem have been presented.

Some attention needs to be paid to Austria-Hungary. In this country very much the same course of development has been followed as that which has characterized the German beet sugar industry. Early experiments began about 1830, and from the start it was sought by the government to promote the welfare of the industry. A false method of estimating, for fiscal purposes, the sugar product was then in vogue. An assumption, based upon antiquated standards for the capacity of the machinery used in extracting sugar, rather than upon the weight of sugar actually produced, was employed in assessing taxes. Then followed a rapid improvement in the sugar yield of the beet and in the machinery used for extracting the sugar. Moreover, it shortly appeared that there was a strong tendency to centralization. During the past fifteen or twenty years, in the face of a steady and rapid growth in the output of sugar, there has been an actual decline in the number of factories. The industry is somewhat highly localized, about 45 per cent. of the beet area being located in Bohemia. In that province the condition of the industry, both as to quantity and quality of beets for sugar, is highly favorable. In the other provinces the condition of affairs

GERMANY.

[1 metric ton=10 metric quintals=1,000 kilograms=2,204.6 pounds.]

Imports and Exports and Home Consumption of Sugar from 1837 to 1901.

[From Jahrbücher für Nationaloekonomie and Statistisches Jahrbuch für das Deutsche Reich.]

CALENDAR YEARS.	Raw sugar produced.	Imports expressed in raw sugar	Exports expressed in raw sugar.	Excess of exports over imports and vice versa.	Total home consumption, in terms of refined sugar since 1886-87.
	Metric tons.	*Metric quintals.*	*Metric quintals.*	*Metric quintals.*	*Metric quintals.*
1836-37	1,408	.....	.....	.....	.....
1840-41	14,205	571,293	25,127	[a]546,166	667,073
1850-51	53,349	441,810	89,637	[a]352,173	972,219
1860-61	126,526	87,791	35,917	[a]51,874	1,454,064
1870-71	186,418	54,300	490,424	436,124	2,193,743
1871-72	186,442	457,282	142,760	[a]314,522	2,178,941
1872-73	262,551	236,324	179,384	[a]56,940	2,682,451
1873-74	291,041	263,574	216,550	[a]47,024	2,957,431
1874-75	256,412	245,811	108,107	[a]137,704	2,701,828
1875-76	358,048	181,940	561,210	375,270	3,205,212
1876-77	289,423	95,835	603,539	507,704	2,401,523
1877-78	378,009	66,288	967,780	901,492	2,903,599
1878-79	426,155	58,651	1,378,907	1,320,256	2,981,295
1879-80	409,415	49,910	1,342,159	1,229,249	2,861,903
1880-81	555,915	37,823	2,838,483	2,800,560	2,833,491
1881-82	599,722	39,511	3,143,649	3,104,138	2,978,084
1882-83	831,995	47,081	4,725,514	4,678,433	3,766,520
1883-84	940,109	36,071	5,958,144	5,922,073	3,684,020
1884-85	1,123,030	34,716	6,737,275	6,702,559	4,764,774
1885-86	808,105	39,870	5,003,215	4,963,345	3,417,704
1886-87	985,628	31,917	6,611,280	6,579,363	3,614,760
1887-88	910,698	58,343	5,147,233	5,088,890	3,981,630
1888-89	944,505	53,033	6,122,499	6,069,466	3,575,980
1889-90	1,213,689	53,240	7,441,459	7,389,219	4,471,161
1890-91	1,284,485	79,318	7,502,265	7,422,947	4,707,534
1891-92	1,144,368	109,903	6,929,113	6,819.210	4,762,648
1892-93	1,171,843	23,154	7,261,581	7,238,427	5,013,194
1893-94	1,316,665	11,641	7,283,224	7,271,583	5,166,300
1894-95	1,766,805	13,784	10,460,432	10,446,648	5,526,947
1895-96	1,537,522	14,215	9,581,284	9,567,069	6,688,596
1896-97	1,738,885	15,325	12,375,214	12,359,889	5,050,780
1897-98	1,755,229	12,988	10,418,012	10,405,024	6,363,989
1898-99	1,627,072	12,003	10,102,977	10,090,974	6,803,306
1899-1900	1,691,258	12,389	9,761,645	9,749,256	7,640,445
1900-1901	1,874,715	13,473	11,442,503	14,429,030	7,965,656

[a] Excess of imports over exports.

is less advantageous. Austria-Hungary now exports something like two-thirds of her sugar product and imports but little from abroad. As early as 1875-6 the payment of boun-

ties on sugar exports had created a deficit over and above the sum taken in from internal revenue taxation. Austria was not in a position to endure this drain, and therefore passed legislation establishing a minimum yield from internal revenue taxation which was not to be trenched upon by the bounties paid. By 1888, it had, moreover, been resolved to assess taxation on the actual sugar consumed, rather than upon the estimated yield. This, of course, abolished the indirect bounty on sugar exports and made it necessary to provide for a direct bounty, which was then established at a maximum sum. It was provided that if in any fiscal year the amount of bounties paid was in excess of this legal maximum, sugar manufacturers should make up the deficit in proportion to the amount produced by them. Export bounties were made considerably higher on refined sugar than on raw sugar, and this tended to develop refined exports much more rapidly than raw exports. Most of the Austrian sugar exports began early to go to the United Kingdom, and this tendency has continued, some 50 per cent. being now sent to that country. The sugar output of Austria also goes largely to Turkey and the Balkan States and to Switzerland. Even in the British East Indies, however, low freights have had a large influence in enabling Austria to compete. On the other hand, the United States has never taken directly a very large amount of Austrian sugar, although some has come by way of Hamburg. A lack of direct transportation has impeded the trade. One thing that has given to Austria its strong position in the world's market has been the fact that its producers were closely organized as a unit at a very early day. It was the success of this organization which led the German refiners to imitate its methods in 1900. Just what these are, are sketched as follows by Prof. Jenks in his report to the Industrial Commission:

"The sugar combination in Austria, which has formed also the model for the new sugar combination in Germany, has had a varied history. The first start toward the formation of the combination was

apparently given in 1890 by the great Hungarian sugar refineries, at that time newly erected. The first combination embraced the sugar manufacturers of the entire Austro-Hungarian customs district, and had for its chief principle the securing of the advantage which was intended to be given by the protective tariff. At that time the margin between the duty upon raw sugar and the free refined sugar had been lowered to 6 florins and 50 kreutzer per meter-centner. In the first place, the attempt was made to fit the output of domestic refined sugar to the actual demand by a general agreement, but in July, 1891, the agreement was made somewhat more definite. Under the new articles, to each establishment was assigned a definite quantity (its contingent) as a maximum which it was allowed to bring forward for the payment of duty within a determined period. This amount was supposed to be accurately gauged by the domestic demand. Prices then were not fixed under the agreement, although there were often verbal understandings regarding the price. This combination, made for a year, was later extended twice for a period of a year each. The effect can be seen from the fact that the margin which in October, 1891, had dropped as low as 4 florins 45 kreutzer had been increased in October, 1892, to 8 florins 75 kreutzer; in October, 1893, to 9 florins 30 kreutzer, and in January, 1894, to 10 florins 5 kreutzer. In 1894, however, the price of raw sugar in the world market lowered very materially, dropping from some 24 florins at that period to below 12 florins a year later. Besides this influence to lower the profits of the combination new competing refineries had been erected to take advantage of the profitable conditions brought about through the combination. The temptation to sell independently was strong, and in 1894 the combination was dissolved. January, 1895, the margin had fallen to 6 florins, in July to 5 florins, in September to only 4 florins. This effect brought about a new combination in October, 1895, made for two years, which has since been extended.

"The form of the combination was changed. The contingent of each refiner was agreed upon as before, and for every meter-centner entered above this contingent a penalty of 10 florins was exacted. In order to secure this penalty, shares of one of the prominent sugar refineries, the Chropine, were secured jointly by factories and placed on deposit as a pledge. In order still further to make the combination safe, an attempt was made not merely to include the refineries, but also the manufacturers of raw sugar, by allowing them half of the profits whenever the margin between refined and raw sugar exceeded 6 florins, it being understood that the manufacturers of raw

sugar were not themselves to refine nor to furnish raw sugars to refiners who were not within the combination. This effort at first, however, failed, largly because certain manufacturers of raw sugar felt that they could not pay as high for bids as could the manufacturers of raw sugar who were also refiners and included in the combination. At length the raw sugar manufacturers, crowded somewhat by the conditions outside of Austria which led to a very decided fall in prices in the markets of the world, organized themselves in order to enter in the markets of the world on somewhat better terms than they otherwise could do. Finally, in 1897-98, a joint combination including both the manufacturers of raw sugar and refiners was organized, which has been extended to the present time. The general plan of organization is substantially as follows: The total amount of sugar needed for Austria is agreed upon each year. The percentage of refining to be allowed to each sugar refiner is determined. Likewise the amount of raw sugar to be taken from each manufacturer of raw sugar is fixed. The manuufacturer of the raw sugar is to secure for his product whatever price he can, that being determined naturally by the condition of the market. In case he receives less than 15 florins for each meter-centner, the balance up to that amount is made up to him at the end of the yearly period out of a fund raised by a proportionate assessment made upon the refiners. The raw sugar producers on their part agree not to become refiners themselves and not to sell raw sugar to any refiners outside the combination. In case the raw sugar manufacturers can secure more than 15 gulden per centner for their profit this benefit goes to themselves.

"The refiners can afford to guarantee this minimum price of 15 gulden because it keeps the raw sugar producers from becoming refiners, and without serious competition the refiners can thus fix the price high enough to make it pay. In this way the raw sugar producers secure a good price for, say, two-fifths at least of their product. The export price is of course likely to be somewhat lower.

"Nearly all of the refiners and of the raw sugar producers are in the agreement, which has been arranged for a definite period lasting about a year longer. Those who object to the combination are mainly some of the producers of raw sugar. Their demand has at times put up the price of bids so that the profits, even with the guaranteed price, are not very large. However, nearly all the persons in Austria who are familiar with the agreement and with the condition of sugar manufacturing there seem to think that the existence of the entire sugar industry practically depends upon the combination."

The figures for the sugar movement in Austria-Hungary have been as follows:

PRODUCTION, EXPORTS, AND CONSUMPTION OF SUGAR FROM 1889 TO 1901.

YEARS.	PRODUCT OF SUGAR.			EXPORTS.		
	Refined.	Raw.	Total.	Refined.	Raw.	Total.
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
1888-89.....	348,737	130,115	517,601	146,560	122,605	285,428
1889-90.....	518,866	163,134	740,118	244,142	138,919	410,187
1890-91.....	499,770	212,165	767,465	233,870	212,603	472,457
1891-92.....	485,540	235,008	774,498	228,386	214,855	468,618
1892-93.....	572,099	157,392	793,057	283,139	165,441	480,040
1893-94.....	659,464	101,267	834,005	358,210	92,245	490,257
1894-95.....	739,776	222,603	1,044,576	352,829	61,598	452,520
1895-96.....	647,274	61,891	781,086	306,313	165,822	505,694
1896-97.....	693,715	159,095	929,900	412,800	102,587	561,254
1897-98.....	759,754	22,477	821,693	425,048	24,708	496,984
1898-99.....	852,224	94,853	1,041,769	516,075	136,948	708,764
1899-1900.....	856,002	147,436	1,098,551	517,551	132,554	707,611
1900-1901.....	885,190	99,783	1,083,328	544,597	89,705	694,813

YEARS.	CONSUMPTION.			PRODUCT.	
	Refined.	Raw.	Total.	Exported.	Consumed.
	Metric tons	*Metric tons*	*Metric tons*	*Per cent.*	*Per cent.*
1888-89.....	.....	.....	240,000	55.1	44.9
1889-90.....	256,586	1,907	287,003	55.4	44.6
1890-91.....	253,219	1,316	282,671	61.6	38.4
1891-92.....	272,733	1,542	304,578	60.5	39.5
1892-93.....	286,987	2,367	321,241	60.5	39.5
1893-94.....	279,819	2,461	313,371	58.8	41.2
1894-95.....	326,269	2,205	364,726	43.3	56.7
1895-96.....	335,555	3,455	378,884	64.7	35.3
1896-97.....	301,677	3,383	338,579	60.4	39.6
1897-98.....	332,746	4,855	374,573	60.5	39.5
1898-99.....	346,284	4,950	389,710	68	32
1899-1900.....	322,655	3,299	361,805	64.4	35.6
1900-1901.....	339,894	3,664	381,325	64.2	35 8

Up to the year 1885-6 Russia had not entered upon the world market as an important exporter of sugar. There had been high protection from the very first, but this had not sufficed to keep out foreign sugar. Occasionally a small amount had been exported, but this had occurred only under unusual circumstances. With the exception of one or two years, exports had never exceeded 18,000,000 pounds prior

to 1885-6. In that year, however, this figure was largely exceeded. The export of sugar then amounted to 278,800,000 pounds. This large increase in exportation was due to measures taken by the government with the view of stimulating the production of sugar.

The beet sugar industry had developed very slowly from the opening of the nineteenth century down to the year 1851. Methods had been primitive and the industry had been almost strictly agricultural in character. After 1860, however, a change occurred. Large amounts of capital began to be invested in the industry, and more and more land was appropriated to the cultivation of beets. Moreover, the control of the industry began to be lodged in the hands of speculators, who raised and depressed the price of the output according to their own conceptions of what would be profitable. A large crop of beets in 1876 reduced the price to an exceptionally low level. Bankruptcy threatened, and it was decided to pay a bounty on exported sugar by returning to the producer of such sugar an amount considerably in excess of the internal revenue tax, to which the commodity had been subject. Moreover, an excessive measure of protection was gained by the sugar producer when customs duties were, in 1877, for the first time ordered paid in gold, which practically raised the tariff rates. The act of 1881, which further increased the tariff by 10 per cent. on all duties, raised the sugar schedule so high as to practically prohibit the importation of foreign sugar. There arose an even more striking tendency than had previously existed to drive capital into the industry. Russian sugar prices ceased to have any relation to those of the outside world, and it became apparent that an understanding had been established between the producers of sugar from beets.

The mode of taxing sugar was altered in 1881. Instead of a tax on the capacity of the plant, there was now levied a tax on the amount of the product manufactured. In conse-

quence of this alteration more came to be known about the statistics of sugar. It appeared that over-production was imminent, inasmuch as much more of the commodity was being produced, as shown by the tax returns, than was being consumed. The trade fell into a depressed condition and the price ultimately sank below the cost of production. There were 780,000 acres of beet-land under cultivation in 1884, as against 600,000 acres in 1881. In order to relieve the situation, the earlier policy of government assistance was resumed. A bounty was granted on sugar exported to the markets of Asia, and a non-interest bearing loan was made to the whole industry. Bounties were paid on sugar thus exported to Asia until May, 1891, but the bounty to European exports was cut off July 1, 1886. The removal of the bounty threw the industry back into somewhat the same position it had occupied prior to 1884, when the government came to its assistance. A request for fresh aid was refused, but it was suggested to the producers that they might well establish a syndicate which should regulate the quantity of sugar to be placed on the market at any given time. Acting in accordance with this advice, the manufacturers made an arrangement of the kind specified. It was agreed to put on the market each year thereafter only the average annual production of each factory for the preceding five years, less 5 per cent. The remainder of the sugar output was to be exported according to very carefully specified conditions. A controlling agency or bureau was established to see that the agreement was carried out, and to investigate periodically the market situation. Although this agreement had expired in 1887, it was renewed for two years in 1888, and again in 1890 to last until 1895. In 1894 a new agreement, lasting four years longer, was established. In the agreement of 1894 it was undertaken to form a sugar reserve to be placed on the market in case of scarcity. Exportation was forbidden when the price had risen to an established maximum. During the life of the trust the rules by which

shares are allotted to the different factories had been more or less modified and made to conform to a changed standard. From year to year the trust became more and more popular with manufacturers, and they more and more readily agreed to join the syndicate. Whereas, in 1887-8, the total number of factories was 219 and the number of those in the syndicate was 171, the total number in existence in 1892-3 was 224, while those in the syndicate the same year numbered 203. In other words, the percentage of all factories in the syndicate had grown from 78 per cent. to 91 per cent. during those six years. Factories in the syndicate in 1892 represented fully 92 per cent. of the aggregate output of sugar in Russia. The fundamental principle of the trust was the right to produce as much sugar as the members might see fit, provided only that they should export the whole of their product above the amount fixed for distribution in the domestic market. According to the most elaborate and careful Russian study on the sugar question, the essential condition of the trust was that all the excess over and above the normal quantities of sugar needed for home consumption should be exported. "There can be no doubt," says this authority,[5] "that only the distressed condition of the industry caused by over-production and the resulting fall of prices brought about its organization. Very likely this over-production was considerably due to excessive tariff protection during the decade beginning with 1870 and 1880. Second, the effect of the agreement among the sugar manufacturers was a considerable alleviation and speedy termination of the sugar crisis of 1886. The majority of the sugar manufacturers stated emphatically to the Minister of Finance that unless an agreement had been reached in 1887 the consequence would have been the bankruptcy and closing up of * * * about a third of all the factories, and principally the weaker and smaller ones. * * *

[5] Report of Prof. Janzhul, St. Petersburg, 1895, quoted in Monthly Summary of Commerce and Finance, January, 1902, pp. 2618-19.

"These exports are thus not an accidental feature of the syndicate agreement, but the basis on which the sugar syndicate is formed. It is quite manifest that if the sugar syndicate normally engages in unprofitable exports it must recoup itself in the domestic market by charging higher prices than are warranted by the normal conditions of its existence. All the foreign consumer gains is lost by the Russian consumer, and this without any necessity on the part of the Russian producer."

Although by 1892-3 it controlled more than 90 per cent. of the sugar factories of Russia, the sugar combination, with its elaborate mechanism, did not succeed in making the industry profitable. In 1894-5, moreover, the internal revenue tax was nearly doubled, being raised from 1 to 1.75 rubles. At that time application was made by the combined manufacturers to the government that it undertake the regulation of the industry. In consequence of this request the administration assumed the work of determining the quantity of sugar to be marketed at home, the quantity to be held as a reserve stock (ready for sale in case of an excessive rise in prices), and also the price, below which the reserve stock was to be held in the factory, and above which it was to be put on the market. None of the manufacturers were informed in advance of production as to the amount which they would be able to sell at home. That was left to be determined after the year's production had taken place and the relative proportion produced by each factory was known. Each was allowed to sell on the home market over and above a small fixed minimum an additional amount proportionate to his share of the total production. But, as matters go, the sale on the domestic market takes place at a price which renders the transaction very profitable. Each manufacturer wishes to gain as large a proportion of these profitable sales as he can. Hence comes a very large output, much of which has to be exported to foreign countries at an absolute loss. Of course, if all manu-

facturers should increase their production in a similar proportion, the share of each in the domestic market would remain the same, and hence all would lose. The unsatisfactory character of the present situation is thus evident.

The bounty system, which has thus been sketched for some principal countries, and which also spread into several others, led very early to serious difficulties. So long as the beet sugar produced under it was not sufficiently large in amount to furnish a basis for export, the existence of bounties could not, of course, cause international difficulties. It was merely a question of how far the consumers of the various countries were willing to submit to conditions which imposed a serious burden upon them. So soon as the industry had, however, developed to a point where beet sugar was exported, the payment of a bounty on successive units of sugar meant that the domestic consumer was practically paying manufacturers to produce for the benefit of foreigners. This was true, no matter whether or not the export bounty arose out of technicalities connected with the return of an internal revenue tax, paid when the sugar was produced presumably for domestic consumption, and refunded when the sugar was exported. It made no difference whether or not this condition of affairs was aggravated by faulty methods of measuring the quantity of sugar extracted from a given amount of beets. The fact of importance was that the different countries were producing for export and were doing so through the agency of the bounty paid to manufacturers, who were thereby enabled to sell abroad at lower prices than they sold at home. The injustice to home consumers implied in this state of affairs will be granted by all those who do not believe in the extreme doctrines of State aid to private industry. Another consideration was, moreover, added when in some countries the bounty payments became so large as to absorb the whole of the internal revenue realized from sugar. Finally, the effect of these bounty-fed exports in lowering prices in neutral mar-

kets, and thus destroying the profits of sugar producers in countries where no bounty was paid—as, for instance, in some of the cane-producing countries of South America—is well known. A familiar instance of the economic disaster wrought by such a system is seen in the case of the English colonies in the West Indies, which of late years have been practically ruined by the sugar bounty legislation of Europe.

It goes without saying that the dangerous character of the bounty system was very early perceived, and that it was desired to get away from it. As is always the case, however, the existence of protection to the industry had created a strong party in each of the bounty-paying countries, which put forward all of the usual claims concerning vested rights and danger resulting from the abolition of protection. There was, of course, one argument of force in that connection. This was that, inasmuch as other countries had adopted the bounty system, it would be disastrous to the industry in any particular country should its bounty be abolished while other countries retained theirs. In other words, injustice would be done to the exporters of one country, were they left to compete on their own responsibility with the exporters of other countries, who, because of the existence of bounty legislation in the original country, had obtained retaliatory bounty legislation in order to hold their own in the competition. To abolish the bounty in only one country would mean, in a sense, that the government of that country had stirred up foreign competition, and had then left its export interests to fight this increased competition unaided. Moreover, unless a strong system of countervailing import duties should be enforced against bounty-fed sugars of foreign origin by those countries which might take the initiative in abolishing the bounty, the manufacturer who had been induced to enter the industry by reason of the existence of the bounty would not even be able to compete in his own market. Lastly, if such a system of countervailing duties should be enforced, it would

mean that the support of the overgrown sugar industry of the home country would fall exclusively upon the home consumer. Manufacturers would no longer be able to work off a part of their product abroad, even at low prices, and they would therefore be obliged to seek returns on their investment only by charging high prices for a comparatively small number of units of sugar to domestic consumers. The latter, in supporting their home sugar industry, would thus labor under a load even heavier than ever.

For all these reasons it early became apparent that it would be very desirable to obtain an international agreement for the abolition of sugar bounties. Efforts to get such an agreement began in a tentative way many years ago. As early, perhaps, as 1860, or shortly thereafter, negotiations on the subject were entered into between France and Belgium. The subject was also discussed between France and Great Britain, English refiners finding it very hard to compete in the French market, owing to the bounty system of that country. English colonial sugar, too, was beginning to suffer even at that date. Sugar conferences were held in Paris and London in 1863-4. November 8, 1864, France, Belgium and the Netherlands agreed to establish a uniform bounty system, so that their refiners would all stand on the same basis. In order to make the agreement effective, however, it was necessary to determine with great exactness a scale of equivalents between refined sugar and the different grades of raw sugar, so that a proper basis might be furnished for taxation. A commission which met at Cologne undertook to establish these equivalents and finally established a scale which was annexed to the treaty of 1864. This scale was unsatisfactory to refiners because the data used by the commission consisted of average returns, while many refiners were in the habit of working with grades of raw sugar which did not correspond to the averages. Nothing was done, and another conference in 1868 postponed the time when the new plan should go into effect

until the end of 1869. In that year the date of enforcement was again postponed until 1871. In 1871 efforts to make the treaty effective were rendered nugatory by the opposition of refiners in France and England. The claim was made that the Cologne scale, being based on the color test, would open the possibility of deceptive work by unscrupulous refiners who might artificially color their raw material. At a conference in London in 1872 it was suggested that all manufactured sugar should be placed in bond, and that the return of import duties (paid in the form of drawbacks when the sugar was exported), and similar payments of internal revenue taxes, should be exacted only on equivalent amounts of the actual refined product. This would have involved a clumsy and expensive system. The conference came to nothing. In 1873 another conference in Paris suggested a mode of classifying raw sugar, based upon a polariscopic test. The English delegates were disgusted with the delays and with the hesitation about adopting specific measures, and even declined to attend the conference in 1874. In 1875 another conference was held at Brussels, but failed to reach a conclusion. The application of legislation which had been adopted in France, for excise supervision of sugar refining, was postponed. A seventh conference began in Paris during the summer of 1876. At the outset, however, it was crippled by the refusal of Germany and Austria, which were then for the first time rising into importance as sugar refining countries, to send delegates. The conference elaborated a scheme for refining in bond, but no actual agreement was reached. In 1884 the situation had become very much worse, owing to the immense increase of sugar production in Germany and Austria. British refiners and colonial planters no longer suffered primarily from French sugar, but chiefly from the German and Austrian product. England sought to bring about a new conference for the purpose of adopting a new system of refining in bond. Just at the same moment, the law of

July 29, 1884, was adopted by France, and thereby the bounty system, copied after that of Germany, was, as we have seen, put into force and French producers were induced largely to increase exports. It was finally proposed that England, being in danger of seeing its refining industry destroyed, and not succeeding in securing concerted action, should enforce countervailing duties against bounty-fed sugar. To this the free trade element objected, while a strong argument against the suggestion was based on the fact that the preserve and jam industry, which had grown up on a cheap sugar basis, would be heavily handicapped by such duties. The conference of 1884 finally adjourned, in order to give more time for thought but at a second meeting in 1887, at London, it was found impossible to come to any agreement. This failure led to an open threat from England that countervailing duties might be instituted by the British government. Nothing, however, came either of this threat or of the sessions of the conference. The United States had been invited to share in the meeting, but had declined on the ground that we paid no bounty, and could take no steps in concert with other countries merely through our executive authority.

Such was substantially the situation when the McKinley Act was passed in 1890. From what has been said it must be clear that the McKinley Act was a most important additional factor in the sugar situation. True, it provided for a bounty to domestic sugar growers; but this bounty was for the moment unimportant, because the sugar industry was small. The prime importance of the act lay in its admission of raw sugar to the United States free. While this, of course, did not help in reaching the solution of the refined sugar problem as such, since we maintained our duties on the refined product, it opened our gates to a large surplus of the raw material. In other words, it placed at the disposal of the other countries a market for raw sugar which had hitherto been safeguarded by tariff duties. This meant that a larger

field was opened for the raw cane sugar of the tropics, by which the overloaded European market was relieved. True, we should have been obliged to import the raw sugar in any event, but the abolition of the tariff necessarily stimulated consumption, and thus created a new demand. In order to understand the significance of this situation, it is necessary to review, statistically, the sugar exports of the world at the time. This has been done in the appendix to the present volume where the exports of sugar from all producing countries have been arranged for purposes of comparison.

Having thus reviewed the condition of affairs in the sugar trade of the world as it bears upon the reciprocity problem, it is convenient at this point to add a few words concerning the later developments of the industry during the decade 1890-1900. As we have already seen, the effect of the McKinley Act on the sugar situation was noticeable. We shall see at a later point that the repeal of the act, and the reimposition of tariff duties on raw sugar, removed whatever aid had come from its operation and restored the conditions which had existed prior to the passage of the act. Conditions had, of course, been growing worse in Europe in the meantime by the very force of circumstances. As a result of all these conditions, therefore, it was inevitable that a further effort should be made to come to an agreement for the abolition of sugar bounties. Another conference was held at Brussels in 1898, but, like its predecessors, failed, opposition in this case coming primarily from France and Russia. Meanwhile, as will be seen at a later point, the tariff act of 1890 in the United States had prescribed a countervailing duty against bounty-fed (refined) sugar in certain cases. In the tariff act of 1894 another step was taken, because the countervailing duty was made applicable to bounty-fed sugars of all countries and all grades, irrespective of the question whether their export bounties were higher on raw than they were on refined sugar. In the tariff act of 1897

the idea of a countervailing duty equal to the net amount of the bounty paid by any foreign countries was introduced. This countervailing duty was enforced under the act of 1897 against Austria-Hungary, Belgium, Denmark, France, Germany, Holland, Russia, Argentina and Chile. An additional element of difficulty was added by the action of India, which followed our example, in 1899, in enforcing countervailing duties against bounty-paying countries.

The situation grew more and more intolerable from year to year, and it was finally agreed to make another effort to gain an international agreement with regard to sugar. It was felt that none of the halfway remedies previously suggested would suffice, and that the measures to be adopted must be radical. The international conference finally came together at Brussels early in 1902, and there decided to do away with the bounty system in its entirety. The resolutions adopted by the Brussels conference constitute a most important epoch in the history of the sugar industry, and it is therefore deemed best to quote them in full in the appendix.[6]

Thus the whole tendency of European legislation had been to promote the development of a system by which the sugar producers of the different countries have been stimulated into a condition of feverish excitement, each country striving to outdo the others in a volume of product which could be poured upon the market, each seeking to exclude the others from the world market, and each prevented from doing so by the high tariffs and domestic bounties of the others. The inevitable result has been that a great volume of sugar flowed toward those countries which have not sought to stimulate the industry by any artificial means, and particularly those countries whose tariffs are low or whose laws placed sugar upon the free list. England had, prior to 1890, for a long time been enjoying the benefits of the burdens imposed upon German

[6] Appendix I.

consumers of sugar by the system of bounties prevailing in that country. So far, too, as the United States had not prevented itself through its tariff from deriving the same advantages, it also had reaped the benefits accruing from the taxation of the German consumer in favor of the German producer of sugar from beets. At the same time it will have been observed that the injurious effects of the European sugar bounty system had been felt very generally throughout the world, and especially in cane producing countries, by reason of the extremely low price of sugar necessarily resulting from the adoption of such a policy. About 1890 the pressure of competition was being more than ever keenly felt in nearly every part of the cane producing world, and cane growers were anxiously looking around for markets where they would not be confronted with the evil results flowing from the bounty system.

Under such circumstances it can easily be understood that the effect of the McKinley Act in removing the duty on sugar and placing that commodity upon the free list was of the most vital importance to the sugar interests of the tropical countries. Not only was this true, but, by relieving the European market of the pressure from the cane-growing countries, it necessarily happened that the opening of our markets to sugar tended to improve the price of the article in Europe. For all these reasons the action of this country in again putting a duty on raw sugar had a most powerful effect in bringing the sugar question to a crisis. The amount of the bounty offered to domestic producers in the United States, although relatively large, was not so considerable as to lead foreign producers to feel any alarm, since the amount of our production was then insignificant in comparison with our consumption. Probably no more powerful stimulus to the reciprocity idea and no more attractive bait could have been offered to the South American countries than this opening of a new market for one of their principal staples, then so hard

pressed in Europe, coupled with the threat to enforce discriminating duties against any country which should refuse to grant to our products entering its territory concessions similar in amount to those made by the United States in throwing open our markets to sugar free of duty. The South American Commission, itself, in dealing with reciprocity after its trip through South America, had stated unequivocally its belief that substantial concessions, either on wool or on sugar, must be offered to those countries before they could be induced to enter into any reciprocity scheme. As for wool, it was, of course, out of the question. The wool-growers of the United States had too long been hampered by high protective duties to submit easily to a reduction in the tariff on the raw product. And the wool industry of the United States had attained considerable proportions. How strong it really was might be appreciated from the sole fact that the duties had been steadily advancing, and that it seemed to be impossible to secure any reduction whatever. The McKinley bill raised them to an unprecedented height. But, in the case of sugar, there was no important domestic interest to be violated—none, at least, which could not be appeased by a relatively small outlay for bounties. Sugar, too, was in a much more unfortunate condition than wool, the world over, and any concessions in the matter of its production would gladly be accepted by countries which were feeling even more than the normal competitive strain.

CHAPTER VI

RECIPROCITY AND THE MCKINLEY ACT

The defeat of President Cleveland in the autumn of 1887 was interpreted, rightly or wrongly, by the Republican leaders, as a verdict against a low tariff policy. With the impression that tariff reform had been set aside, went the belief that the popular verdict at the polls carried with it unqualified approbation of reciprocity, as opposed by President Cleveland and favored by his Republican antagonists. As had been the case in 1882, an effort was now made to revise the tariff, but in this instance the plan of imposing generally higher duties was confessed and open. It was intended to apply a tariff schedule which would very generally increase duties throughout the whole list of protected commodities. Yet it was necessary to remember the existence of a strong sentiment in favor of some plan for the extension of foreign markets for American manufactures, as well as for the products of our farms. There can be little doubt that the failure of the McKinley bill to include a reciprocity clause when first introduced was due merely to the rather adverse verdict of the Pan-American Congress and the ill success experienced in securing reciprocity treaties theretofore. That such a clause was later incorporated, while the measure was in the Senate, must be regarded as a strong testimonial to the existence of a powerful tariff reform movement, able to make itself felt even against the rising tide of protectionism. The fact that a new administration had come into power, with new views on the reciprocity question, had been emphasized by President Harrison's message, in which he transmitted to Congress the report of the

International American Conference.[1] In strong contrast to President Cleveland's pessimistic and hostile attitude toward the reciprocity idea, was President Harrison's emphatic recommendation of the adoption of reciprocal commercial treaties between all American republics. The grounds on which Mr. Harrison's advocacy of reciprocity were based are well worthy of note. He pointed out that we already admitted free of duty eighty-seven per cent. of all South American products imported to the United States. The only important articles not already on the free list, said he, were wool and sugar. Mr. Harrison also complained, in the tone later adopted by Secretary Blaine, of the fact that we had in the past been too generous and had given away so much that it was now hard for us to get that to which we were entitled since we had no basis for bargaining. The expressions[2] on this topic contained in the message already referred to are one of the earliest suggestions of a retaliatory policy, and indicate clearly that the retaliatory system of tariff legislation in process of adoption by Europe had not passed unnoticed by those Republicans who recognized the need of enlarging our markets.

The new tariff act was reported by Mr. McKinley from the House Committee on Ways and Means on April 16, 1890. This bill was H. R. 9416, and was entitled "An Act to reduce the revenue and equalize duties on imports and for other purposes." It formed the basis of what later came to be known as the McKinley Act, and was debated in the House from May 7 to May 21, 1890. On the latter date it passed the House with various amendments. On May 23d the measure was laid before the Senate and referred to the Committee on Finance. In the Finance Committee the Act was considerably altered and, the changes requiring some time, it did not reap

[1] "Messages and Papers of the Presidents of the U. S.," Vol. IX., p. 74.

[2] "I deem it proper to call especial attention," wrote Mr. Harrison, "to the fact that more than 87 per cent. of the products of these nations (South American) sent to our ports are now admitted free. * * * The real difficulty in the way of negotiating profitable reciprocity treaties," he added significantly, "is that we have given freely so much that would have had value in the mutual concessions which such treaties imply."

pear before the Senate until June 17th, when it was reported back, with amendments, by Mr. Morrill. It was taken up July 7th, and debated until the 10th of September, when it was passed by a vote of forty to twenty-nine, fifteen Senators not voting. The bill then went back to the House and was referred to the Committee on Ways and Means on the 12th of the month. By the recommendation of that committee, the amendments of the Senate were nonconcurred in and a conference committee was appointed to take the matter in charge on the 16th. The conferees required ten days to make their report, which finally appeared on the 26th and was adopted on the 27th. On the 30th, the report was likewise adopted by the Senate and the bill received the President's signature on the following day.

It would be impossible in this discussion to go into an elaborate analysis of the McKinley bill as a tariff measure. Yet a few points concerning it must be noted for the sake of its bearing upon the reciprocity movement. It should be understood at the outset that the bill was passed only after serious misgiving and hesitation on the part of the Republican leaders. The inconvenience and difficulty involved in altering the tariff were thoroughly appreciated; and, had it not been for the belief that the election of 1888 was won on the tariff issue, and that its outcome was consequently a mandate for the adoption of more highly protective duties, it is likely that the tariff would have been allowed to rest at the point it had reached in 1883. All this was clearly apparent in the long and tedious debates which occurred during the process of pushing the measure through Congress.

As a whole, the McKinley bill was a large extension of the protective policy. It raised duties on many articles, included others not previously subject to taxation, and altered in a radical way the method of fixing valuations. The so-called "method of minimum valuations" was largely extended, in order to hide the extended character of the tariffs now im-

posed upon various articles. In its original form, the McKinley bill made no provision for reciprocity.

It will be remembered that the South American Commission had reported that our trade with the Latin countries of the southern hemisphere could be increased only by granting to them concessions on their principal staples, and the commission had gone on to mention wool and sugar as the most important of these. The McKinley bill, in the face of this suggestion, raised the duties on many forms of wool and taxed with special rigor the coarse wools which were the particular product of some South American countries.

In studying the McKinley Act as an incident in the history of reciprocity, its bearing on sugar is of primary importance. The condition of the international sugar market has already been sketched, partly with a view to giving this measure its proper setting in relation to the sugar question. The point of connection between the reciprocity movement and the sugar provisions of the bill is found in the fact that sugar was the main commodity which later was used as a basis for reciprocity, and that its peculiar position in the world-market at the moment gave the action of the United States in placing it upon the free list, under the McKinley Act a factitious importance. At the same time, it forced the reciprocity provisions of that act into a prominence probably greater than they otherwise could have attained and gave the policy, perhaps, as good a chance of success as could have been expected for it.

The action of the McKinley bill with relation to sugar was of such surpassing importance, not merely in its relation to national finance, but also as concerns the reciprocity movement, that it is worth while to give its sugar section in full. Sections 231-241 of the McKinley Act, as ultimately passed, read as follows:

231. "That on and after July first, eighteen hundred and ninety-one, and until July first, nineteen hundred and five, there shall be paid, from any moneys in the Treasury not otherwise appropriated, under the provisions of section three thousand six hundred and eighty-nine

of the Revised Statutes, to the producer of sugar testing not less than ninety degrees by the polariscope, from beets, sorghum, or sugar-cane grown within the United States, or from maple sap produced within the United States, a bounty of two cents per pound; and upon such sugar testing less than ninety degrees by the polariscope, and not less than eighty degrees, a bounty of one and three-fourths cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

232. "The producer of said sugar to be entitled to said bounty shall have first filed prior to July first of each year with the Commissioner of Internal Revenue a notice of the place of production, with a general description of the machinery and methods to be employed by him, with an estimate of the amount of sugar proposed to be produced in the current or next ensuing year, including the number of maple trees to be tapped, and an application for a license to so produce, to be accompanied by a bond in a penalty, and with sureties to be approved by the Commissioner of Internal Revenue, conditioned that he will faithfully observe all rules and regulations that shall be prescribed for such manufacture and production of sugar.

233. "The Commissioner of Internal Revenue, upon receiving the application and bond hereinbefore provided for, shall issue to the applicant a license to produce sugar from sorghum, beets, or sugar-cane grown within the United States, or from maple sap produced within the United States at the place and with the machinery and by the methods described in the application; but said license shall not extend beyond one year from the date thereof.

234. "No bounty shall be paid to any person engaged in refining sugars which have been imported into the United States, or produced in the United States upon which the bounty herein provided for has already been paid or applied for, nor to any person unless he shall have first been licensed as herein provided, and only upon sugar produced by such person from sorghum, beets, or sugar-cane grown within the United States or from maple sap produced within the United States. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the manufacture of sugar from sorghum, beets, or sugar-cane grown within the United States, or from maple sap produced within the United States, and shall, under the direction of the Secretary of the Treasury, exercise supervision and inspection of the manufacture thereof.

235. "And for the payment of these bounties the Secretary of the Treasury is authorized to draw warrants on the Treasurer of the United States for such sums as shall be necessary, which sums shall be certified to him by the Commissioner of Internal Revenue, by whom the bounties shall be disbursed, and no bounty shall be allowed or paid to any person licensed as aforesaid in any one year upon any quantity of sugar less than five hundred pounds.

236. "That any person who shall knowingly refine or aid in the refining of sugar imported into the United States or upon which the bounty herein provided for has already been paid or applied for, at the place described in the license issued by the Commissioner of Internal Revenue, and any person not entitled to the bounty herein provided for, who shall apply for or receive the same, shall be guilty of a misdemeanor, and, upon conviction thereof, shall pay a fine not exceeding five thousand dollars, or be imprisoned for a period not exceeding five years, or both, in the discretion of the court.

237. "All sugars above number sixteen Dutch standard in color shall pay a duty of five-tenths of one cent per pound: *Provided,* That all such sugars above number sixteen Dutch standard in color shall pay one-tenth of one cent per pound in addition to the rate herein provided for, when exported from, or the product of any country when and so long as such country pays or shall hereafter pay, directly or indirectly, a bounty on the exportation of any sugar that may be included in this grade which is greater than is paid on raw sugars of a lower saccharine strength; and the Secretary of the Treasury shall prescribe suitable rules and regulations to carry this provision into effect: *And provided further,* That all machinery purchased abroad and erected in a beet-sugar factory and used in the production of raw sugar in the United States from beets produced therein shall be admitted duty free until the first day of July, eighteen hundred and ninety-two: *Provided,* That any duty collected on any of the above described machinery purchased abroad and imported into the United States for the uses above indicated since January first, eighteen hundred and ninety, shall be refunded.

238. "Sugar candy and all confectionery, including chocolate confectionery, made wholly or in part of sugar, valued at twelve cents or less per pound, and on sugars after being refined, when tinctured, colored or in any way adulterated, five cents per pound.

239. "All other confectionery, including chocolate confectionery, not specially provided for in this act, fifty per centum ad valorem.

240. "Glucose, or grape sugar, three-fourths of one cent per pound.

241. "That the provisions of this act providing terms for the admission of imported sugars and molasses and for the payment of a bounty on sugars of domestic production shall take effect on the first day of April, eighteen hundred and ninety-one: *Provided,* That on and after the first day of March, eighteen hundred and ninety-one, and prior to the first day of April, eighteen hundred and ninety-one, sugars not exceeding number sixteen Dutch standard in color may be refined in bond without payment of duty, and such refined sugars may be transported in bond and stored in bonded warehouses at such points of destination as are provided in existing laws relating to the immediate transportation of dutiable goods in bond, under such rules and regulations as shall be prescribed by the Secretary of the Treasury."

The provisions thus rehearsed require some brief explanation. Prior to the passage of the McKinley bill, our sugar receipts had constituted the largest element in the incomes from customs duties, amounting to an average of about $55,000,000 a year. During the period immediately preceding 1890 a large surplus had been piling up in the Treasury, and it was, of course, highly desirable that this should by some means be disposed of. Most of our sugar had been imported. Not more than a tenth of it came from the cane fields of Louisiana. The duty, which amounted to nearly two cents a pound, was higher than was necessary for any purpose of protection. It had already been proposed to alter the sugar duty, for the Mills bill of 1888 had offered to cut off fifteen per cent. from it. The social injustice of the high sugar tax was admitted, and even the protectionist Republicans conceded that something should be done toward reducing it. However, as appears from the sections quoted above, the McKinley Act went farther than the most extreme proposal. At one blow it cut off the revenue from customs duties on all raw sugar by placing that product on the free list. At the same time, it offered a bounty of two cents a pound to domestic sugar producers from July 1, 1891, to July 1, 1905. It, however, retained a duty of one half a cent per pound on refined

sugar, and thus protected the refining industry which, at about the same time, had developed into a powerful "trust," embracing practically all the important refineries in the country.

It would be hard to state the precise reasons for this extraordinary piece of legislation. Political considerations undoubtedly had their weight, for the tariff-reform movement was strong in the West, and the framers of the McKinley bill knew well enough that high duties imposed on manufactured goods would be unpopular in that section of the country. On the other hand, the desire to be relieved of the surplus revenue by some assured method was also a strong influence in favor of the remission of the duty. But there seems also to have been from the first, an intention in some way to use the sugar schedule as a means of obtaining tariff concessions from foreign countries. Nothing could have been selected which would hold out to the beet producing regions of Europe, or, in other words, to practically all of the continental countries, a more tempting commercial bait than would free sugar.

Yet the McKinley bill, when first introduced, said not a word concerning reciprocity. The measure passed through the House of Representatives, went to the Senate, and was referred to the Committee on Finance, without any practical steps having been taken. Even then, it was only under the pressure of Mr. Blaine's influence that the effort was made to attach some reciprocity provisions to the sugar schedule, and thus give effect to one of the original ideas connected with the measure, while at the same time affording a basis for definite work on the part of the administration in securing commercial advantages. An additional motive with Mr. Blaine, and those who supported him, was the desire to gain some general authority which would enable the administration to carry on a vigorous reciprocity policy unhampered by the necessity of constantly submitting treaties to Congress. As we have already seen, the practice of submitting these treaties usually resulted in prolonged delay, even when they were favorably regarded

at home and abroad, while the hands of their negotiators were sometimes tied by ignorance concerning the attitude which would be taken toward certain proposed concessions. Very often the most painstaking work came to nothing, in consequence of unexpected antagonisms in Congress, resulting in the defeat of the treaties presented to that body for ratification.

After granting full credit to the administration for these motives in recommending reciprocity, the fact, however, remains that the insertion of the provisions in the McKinley bill was probably not free from political motive:

"The trend of public opinion on the tariff bill," says Professor Taussig,[8] "while it was under discussion in the House, made some of the Republican leaders uneasy as to its effects on the party prospects in the West; and this feeling was strong with Mr. Blaine, not the least shrewd of the Republican leaders. The bill had passed the House of Representatives without the reciprocity provisions; they were inserted at the last moment in the Senate, almost under pressure from Mr. Blaine and those who shared his views."

In other words, the main object in formulating the pretentious reciprocity provisions was the old one which had so often done useful service in tariff contests. It was that of leading the farmer to suppose that something was to be done for him, and thus to make less distasteful the higher duties on imported manufactured goods consumed by him.

However influenced by considerations of domestic politics, Mr. Blaine had undoubtedly for a long time felt that our tariff policy was injuring the chances of Americans in the markets of the world. He saw plainly enough that American manufacturers would not be content for long, even with the home market of which they already had undisputed possession. He also understood that the signs of the times indicated a growing commercial hostility toward the United States on the part of European legislators. He recognized that it was impossible for us to expect to continue selling our cereals and other

[8] "Tariff History of the United States" (Putnam's), p. 278.

products of the farm in enormous quantities in Europe, and at the same time to gain there a market for our manufactures, while continuing to buy only limited amounts of European goods. This point of view was put very clearly by Mr. Blaine in his speech at Waterville, Maine, August 29, 1890, where he remarked:[4]

"I wish to declare the opinion that the United States has reached a point where one of its highest duties is to enlarge the area of its foreign trade. * * * I mean expansion of trade with countries where we can find profitable exchanges. * * * I think that we would be unwisely content if we did not seek to engage in what the younger Pitt so well termed annexation of trade."

Mr. Blaine, however, was hampered by the evident necessity of avoiding any interference with the existing tariff system as a whole. In the same speech he fully protected himself on this point:

"What I mean to speak of briefly is a system of reciprocity not in conflict with a protective tariff, but supplementary thereto, and presenting a field of enterprise that will richly repay the efforts and energy of the American people."

From this statement of his position he went on to rehabilitate the partially abandoned idea of South American reciprocity. He showed that our exports to Europe, Asia, and Africa and to Australia, Canada and Hawaii were $658,000,000 in 1889, while our imports from the same countries for that year were $529,000,000—a situation which should have yielded us a balance of $129,000,000. Yet, when the accounts for the year were closed, we owed $13,000,000 to foreign countries. This, said Mr. Blaine, was due to the fact that we bought from South America $142,000,000 worth of goods more than we exported to them. From this statement of the situation, it was easy to draw the inference that should we be able to improve our trade with South America, we should reach the much desired goal of a "favorable balance of trade."

[4] *New York Daily Tribune*, August 30, 1890.

He also set forth with great clearness the peculiar form of reciprocity which was finally incorporated in the McKinley Tariff Act. Adverting to the reduction which had been made from time to time in certain of the tariff duties of the Civil War, he contended, as had President Harrison, that a serious error had been committed in not using these reductions as a means of securing equivalent concessions from foreign countries. Yet, according to him, it was not too late to alter this unwise policy. In future, all reductions of tariff duties should be offered only on condition of similar and compensating concessions made by others to us. Mr. Blaine also anticipated in this important address many of the objections later urged against the reciprocity policy when the question actually came under active debate. He pointed out, pursuant to our attitude on the most favored nation clause, that reciprocity with one country does not mean reciprocity with all countries, and hence indirectly free trade.

"We may decline to enter into reciprocity with another nation," he remarked, "because we see no advantage in it. Reciprocity is simply a policy of circumstance to be determined favorably or adversely according as its operation may make or lose for us."

Thus was clearly expressed the idea that reciprocity is not a commercial policy, like that developed under the European interpretation of the most favored nation clause, but is a series of special bargains made by us according as our interest may seem to dictate.

In another important manifesto—the open letter to Senator William P. Frye,[5] dated July 25, 1890—Mr. Blaine pointed out how, in his opinion, the remission of the sugar duty should be used as a basis for reciprocity. After recalling the reciprocity treaties negotiated with Spain and Mexico in 1883, which failed to get the approval of Congress, partly because they called for free sugar, the Secretary exposed what he considered

[5] *New York Daily Tribune*, July 26, 1890, p. 1, col. 5.

the absurdity of giving away our repeal of the sugar duty for nothing:

"And now the proposition is to open our ports free to everybody's sugar, and to do it with such rapidity that we are not to have a moment's time to see if we cannot make a better trade—a trade by which we may pay for at least a part of the sugar in the products of American farms and shops. * * *

"The value of the sugar we annually consume is enormous. Shall we pay for it all in cash, or shall we seek a reciprocal arrangement by which a large part of it may be paid for in pork and beef and flour, in lumber and salt and iron, in shoes and calico and furniture, and a thousand other things? In short, shall we pay for it all in cash, or try friendly barter for it in part? I think the latter mode is the highest form of protection."

The ideas thus set forth in public utterances were also reiterated in a less didactic and more detailed form in an official document prepared by Mr. Blaine and transmitted by the President to Congress. In this document Mr. Blaine rehearsed the suggestions made by the Pan-American Congress concerning reciprocal trade with South America, and undertook to show how they might be put into effect. While he conceded that one reason for the smallness of our trade with South America lay in the lack of transportation facilities and their control by Europeans, he thought that reciprocity treaties would have an important influence on intercourse with those countries.

"The twelve per cent. of our imports from South America upon which duties are still assessed consists only of raw sugar and the coarse grades of wool used in the manufacture of carpets."

From this it readily followed that:

"The sugar-growing nations comprise four-fifths, or 40,000,000 of Latin-America. * * * A slight discrimination in their favor would greatly stimulate their agricultural interests, enlarge their purchasing power, and tend to promote friendly sentiments and intercourse."[6]

Here was clearly put the proposal that reciprocity should be

[6] Senate Executive Document, No. 158, 31st Congress, 1st session. See also Appleton's Annual Cyclopædia, 1890, pp. 203-5.

attached as a sort of "rider" to our repeal of the tariff on sugar. But Mr. Blaine was more specific in his suggestions. He recommended:

"An amendment to the pending tariff bill authorizing the President to declare the ports of the United States free to all the products of any nation of the American hemisphere upon which no export duties are imposed whenever and so long as such nation shall admit to its ports free of all national, provincial (state), municipal and other taxes, our flour, corn-meal and other breadstuffs, preserved meats, fish, vegetables and fruits, cotton seed oil, rice and other provisions, including all articles of food, lumber, furniture, and other articles of wood, agricultural implements and machinery, mining and mechanical machinery, structural steel and iron, steel rails, locomotives, railway cars and supplies, street cars, and refined petroleum."

What were the political bearings of Mr. Blaine's ideas on reciprocity were very plainly indicated by him in a letter to Col. W. W. Clapp, the editor of the *Boston Journal,* a partisan Republican newspaper. In this letter, under date of September 15, 1890, he practically served notice on some persons in New England (who, he thought or pretended to think, were adverse to reciprocity because it was an innovation upon the "protective principle,") that their hostility must subside. The Secretary showed that, under the new tariff, the New England States would receive protection for all their industries, and that they could do no less than stand aside and withdraw any possible opposition to a plan intended to promote western interests. These western interests were intimately involved in larger exports of flour and wheat, which would go to Cuba under a reciprocal agreement and to South America in return for free sugar.[7]

Mr. Blaine, while serving his notice, also thought it worth while to throw a sop to the manufacturer by reminding him that a suitable reciprocity scheme might be so worked out as also to open up an export trade for manufactures:

"I do not mean in anything I have said to imply that reciprocity

[7] *New York Daily Tribune,* Sept. 17, 1890.

is only a Western interest. As I remarked in a note to Senator Frye, it will prove beneficial and profitable, both to the farm and the shop. What, for instance, could be more natural or more just than that in giving a free market in the United States to hides from the Argentine Republic, we should ask the Argentine Republic to give a better market than we now have for the product of leather from the United States."

He further sought to reassure the high protectionists who had taken fright at the reciprocity proposals, and who regarded them as an attack on protectionism, by showing that the reciprocity policy was repudiated by free traders.

"Finally, there is one fact that should have great weight, especially with protectionists. Every free trader in the Senate voted against the reciproctiy provision. The free trade papers throughout the country are showing determined hostility to it. * * * They know and feel that with a system of reciprocity established and growing, their policy of free trade receives a most severe blow. The protectionist who opposes reciprocity in the form in which it is now presented, knocks away one of the strongest supports of his system. The enactment of reciprocity is the safeguard of protection. The defeat of reciprocity is the opportunity of free trade."

This important letter, in fact, revealed in a most striking way the whole thought of the Republican leaders with reference to reciprocal commercial treaties. They saw that the burden of protection was becoming too heavy. They recognized that the discontent already manifested in the West was full of meaning. They believed that by improving the demand for certain western staples the discontent of the West could be quieted. At the same time, it was necessary to buy trade openings for western goods and this could only be done by giving something in exchange. The manufacturers of the East were too strong, politically, for any rational Republican to expect that they would give up a jot of their protection. In fact, the McKinley bill had been passed with the express idea of increasing it. Evidently, there was no chance for buying openings in Europe by concessions on manufactures. On the other hand, it would hardly do to attempt to buy advantages for the West by giving away the protection already enjoyed by that section on certain

of its products. Yet, in a measure, that was precisely what was suggested by Mr. Blaine. He aimed to produce general satisfaction among the farming class, the millers and others, by purchasing as he supposed, an opening for their goods through the offer to sacrifice the protection of certain other less important western interests. How difficult was the choice thus presented to the party leaders is not hard to understand. They were obliged to find commodities upon which concessions might be made. Nevertheless they felt themselves debarred from action which would anger any important body of voters or producers. Tropical products, sugar, tea, coffee and the like, were the only ones which could be counted upon with confidence. It was strange that in addition to these the reciprocity advocates were able to list hides among the concessionary commodities.

As already understood, the bill had contained no reciprocity clause when it first appeared and none was added to it until it reached the Senate from the Finance Committee. On June 19, 1890, two days after it had been reported to the Senate, the question of reciprocity first made its appearance in a formal way. President Harrison transmitted to the Senate a message and the report from Mr. Blaine, just described.[8] In harmony with the executive wish thus expressed, Senator Hale shortly after offered the following amendment to the pending tariff bill:

"And the President of the United States is hereby authorized, without further legislation, to declare the ports of the United States free and open to all the products of any nation of the American hemisphere upon which no export duties are imposed, whenever and as long as such nation shall admit to its ports, free of all national, provincial (state), municipal and other taxes, flour, corn-meal and other breadstuffs, preserved meats, fish, vegetables, and fruits, cotton-seed oil, rice and other provisions, including all articles of food, lumber, furniture and all other articles of wood, agricultural implements and machinery, mining and mechanical machinery, structural steel and iron, steel rails, locomotives, railway cars and supplies, street cars, refined

[8] *Congressional Record*, 51st Congress, 1st session, p. 6257.

petroleum, or such products of the United States as may be agreed upon."[9]

Senator Hale's amendment is of more than ordinary importance because of the source from which it came. Ordinarily it is assumed that the reciprocity provisions ultimately incorporated into the McKinley Act were the result of Mr. Blaine's work and practically embodied his suggestions. This, however, does not seem to be the case. Senator Hale, in fact, explicitly stated in a speech in the Senate on June 29, 1894, that the reciprocity amendment to the McKinley Act introduced by him was drawn up by Mr. Blaine in the State Department and might consequently be supposed to represent the views of the executive authority.[10] Had the Hale amendment been accepted, a much larger field for reciprocity would have been opened. Reciprocity would then have amounted to practical free trade in our agricultural, and heavy manufactured products on the one side, and to all the output of Canada, Mexico, and the South American states on the other. It would have meant not merely free sugar and free hides, as actually provided in the reciprocity provisions, ultimately adopted, but it would also have granted the free wool, over which so bitter a struggle

[9] *Ibid.*, p. 6259.

[10] Mr. Blaine, in the famous letter to Senator Frye, written from Bar Harbor, July 22, 1890, offered some interesting details concerning his effort in behalf of reciprocity:

"I sought an interview," wrote Mr. Blaine, "with the eight Republican members of the Committee on Ways and Means, more than five months ago—to be exact, on the 10th day of last February. I endeavored to convince them that it would be expedient and wise to leave to the President, as the treaty-making power, an opportunity to see what advantageous arrangements of reciprocal trade could be effected. I was unable to persuade the Committee to take my view. I mention this circumstance now because it has been charged in many quarters that the suggestion for reciprocity came too late. In fact, my effort was made before the tariff bill was reported to the House, or even framed complete."

Commenting upon this statement by Secretary Blaine, the *New York Daily Tribune* remarked (July 27, 1890, p. 6, col. 2):

"When he (Secretary Blaine) appeared before the Committee of the House five months ago, he advocated the framing of a tariff bill upon lines which would enable the administration to ascertain whether advantageous arrangements for reciprocal trade could be effected. He opposed in particular the imposition of a duty on hides and the removal of the sugar duties. The House Committee made one concession to him in keeping hides on the free list, but withheld the other. In his report on reciprocity, he again advocated the retention of the existing sugar schedules in the interest of reciprocity, and discussed the practicability of making some kind of trade with the Plate countries on wool, especially the coarser grades. In his last letter to Senator Frye he says nothing about wool, but bases his argument exclusively upon exchanges to be made on the basis of free sugar."

had always been carried on. It is difficult to see how so close an approach to free trade as this could have been tolerated by a statesman of Mr. Blaine's expressed views. It would have restored the earlier reciprocity with Canada and would have extended it in like measure to South America and Mexico. It would have been a practical application of the idea of free raw materials and would not have subjected our manufacturers to any stress of competition, since nowhere in the American hemisphere had manufacturing reached the advanced stage attained by it in the United States. At the same time, it must be recognized that the doctrine of free raw materials, thus applied, would more than ever have subjected certain interests to competitive pressure. While, of course, it would have made no difference with the producers of cereals and other agicultural products which were regularly exported from this country in large quantities, it would have borne very heavily upon the lumber monopoly, the wool growing interests, and the owners of coal mines. These influences were far too strong to permit such a step to be thought of for a moment, and the Hale amendment received comparatively little attention in consequence.

The introduction of the Hale amendment, however, gave a shock to the interests that would have been attacked by it. Western stockmen were much aroused by the proposal. Expressing their views in the matter, Senator Mitchell, of Oregon, introduced a concurrent resolution designed to warn those who were uging Canadian and South American reciprocity of the antagonism of the West toward the fundamental ideas involved in such a step. Mr. Mitchell's resolution was referred to the Committee on Foreign Relations and served its purpose as an injunction against interference with western protection. It read as follows:

"*Whereas,* The United States would hail with approbation any reciprocal arrangement by treaty or otherwise, between the Government of the United States and that of any or all of the Republics of

South America, and the Governments of the Central American States, whereby there shall be admitted to the ports of such nations, free from all national, municipal and other tariffs or taxes the products of this country, including flour, cornmeal and other breadstuffs, preserved meats, fruits, hides, vegetables, cotton-seed oil, rice and other provisions, including all articles of food, lumber, furniture and all other articles of wood, agricultural implements and machinery, mining and mechanical machinery, structural steel and iron and steel rails, locomotives, railway cars and supplies, street cars, refined petroleum and such other products of the United States as may be agreed upon, yet it is not the sense of the United States that in any such treaty or reciprocal arrangement, the articles of foreign wool or hides, in any form, should be admitted free into the ports of this country: Therefore, be it *Resolved,* That in any treaty or reciprocal arrangement that may be entered into looking to the opening of these foreign ports to the products named, it is not the sense of the United States that the articles of wool or hides produced in any of said countries shall be admitted free of duty to the ports of the United States and the President of the United States is respectfully requested to omit * * * from the list of products of such countries to be admitted into the ports of the United States free the article of wool in any of its forms, also hides."[11]

Nothing serious was done in the direction of formulating reciprocity provisions until the subject was attacked by the Finance Committee itself. When the bill came from the Committee it included the reciprocity provisions which subsequently became a part of the McKinley bill and which ran as follows:

"SEC. 3. That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the first day of January eighteen hundred and ninety-two, whenever, and so often as the President shall be satisfied that the Government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation

[11] *Ibid.*, p. 7733-4.

to that effect, the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected and paid upon sugar, molasses, coffee, tea, and hides, the product of or exported from such designated country as follows, namely:

"All sugars not above number thirteen Dutch standard in color shall pay duty on their polariscopic tests as follows, namely:

"All sugars not above number thirteen Dutch standard in color, all tank bottoms, sirups of cane juice or of beet juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above seventy-five degrees, seven-tenths of one cent per pound; and for every additional degree or fraction of a degree shown by the polariscopic test, two hundredths of one cent per pound additional.

"All sugars above number thirteen Dutch standard in color shall be classified by the Dutch standard of color and pay duty as follows, namely: All sugar above number thirteen and not above number sixteen Dutch standard of color, one and three-eighths cents per pound.

"All sugar above number sixteen and not above number twenty Dutch standard of color, one and five-eighths cents per pound.

"All sugars above number twenty Dutch standard of color, two cents per pound.

"Molasses testing above fifty-six degrees, four cents per gallon.

"Sugar drainings and sugar sweepings shall be subject to duty either as molasses or sugar, as the case may be, according to polariscopic test.

"On coffee, three cents per pound.

"On tea, ten cents per pound.

"Hides, raw or uncured, whether dry, salted, or pickled, Angora goat-skins, raw, without the wool, unmanufactured, asses' skins, raw or manufactured, and skins, except sheep-skins, with the wool on, one and one-half cents per pound."[12]

---

[12] The precise form in which the Finance Committee amendment was introduced differed only from the language of the McKinley Act as finally passed, in its opening sentence which ran as follows:

"Sec. 2, That the exemptions from duty of sugar, molasses, coffee, tea, and hides provided for in this act are made with a view to secure reciprocal trade with countries producing these articles, and for this purpose on and after the first day of July, 1891, whenever and so often as the President shall be satisfied, etc."

This language was amended in the course of the debate so as to read:

"That with a view to securing reciprocal trade with countries producing the following articles, and for this purpose, on and after the first day of July, 1891, whenever, etc."

An effort had, moreover, been made to do something looking toward reciprocity with Canada as suggested by Mr. Blaine. Senator Sherman offered an amendment to the tariff bill which was intended to pave the way for a reciprocal agreement with British North America. This amendment provided for the mutual free admission of coal, and added that:

"Whenever it shall be duly certified to the President of the United States that the Government of the Dominion of Canada had declared a desire to enter into such commercial arrangements with the United States as will result in the complete or partial removal of duties upon trade between Canada and the United States, he shall appoint three Commissioners, to meet those who may be designated to represent the Government of Canada, to consider the best method of extending the trade relations between Canada and the United States and to ascertain on what terms greater freedom of intercourse between the two countries can best be secured, and said Commissioners shall report to the President, who shall lay the matter before Congress. And the necessary expenses of the Commissioners appointed by the President, including their compensation at the rate of $10 a day each, for the time necessarily employed in said duty, shall be paid out of the appropriation for the employed of the customs revenue." [13]

It is not hard to understand the outcome of the work of the Senate Finance Committee. As has already been suggested, it was utterly impossible that reciprocity with Canada should be secured. The Hale and Sherman amendments were out of the question.[14] There remained only reciprocity with South America, in tropical products chiefly.[15] Yet, even here there

---

In the conference between the Senate and House a further amendment was made as follows:

"In line 3 of said amendment strike out the words 'July, 1891' and insert in lieu thereof 'January, 1892,' and the Senate agree to the same."

Thus the reciprocity provision assumed its final form and was made sec. 3 of the bill ultimately adopted.

[13] *Ibid.*, p. 9454.

[14] When the Finance Committee amendment was being voted upon, Senator Gray of Delaware made a motion to strike out that amendment and insert the one which he was sending to the desk. This amendment was the identical Hale amendment as above quoted. It was lost by a vote of 38 to 19. Curiously enough Senator Hale himself voted against it.—*Ibid.*, p. 9908.

[15] Senator Edmunds of Vermont submitted on the 2d of September a reciprocity amendment designed to base the whole plan upon the free sugar already provided for. This amendment read:

"That whenever the President of the United States shall be satisfied that any sugar producing country, whence sugar is exported to the United States, has abolished its duties or taxes upon the importation of the principal agricultural products of the United States, he may by proclamation diminish or wholly remit the duties

appeared a difficulty as soon as the effort to select commodities upon which concessions might be granted passed beyond the narrow confines of tropical products. Conflicting forces were set at work the instant it was sought to include commodities of another kind which were produced in this country. It was, of course, a foregone conclusion that the provisions of the reciprocity section should center about sugar. That was already on the free list. Coffee and tea, too, were free. It cost nothing to insert a threat that unless suitable tariff reductions were granted by foreign countries in return for what we offered in the way of free trade in these commodities, duties would be imposed upon those commodities at the discretion of the executive. This left it entirely within the power of the President to determine precisely what concessions he deemed adequate, and it could be taken for granted that no threat would be enforced against countries where the enforcement of such a threat might involve us in serious international complications. The only article, therefore, which was really selected by the McKinley bill, for the sake of reciprocal negotiations, primarily, was hides, and even here an exception was made of "sheep-skins with the wool on," so as effectually to safeguard the American wool-grower. The use of sugar as a basis for reciprocity was certainly most important and, as already remarked, no single commodity, perhaps, could have been found which would have served more effectually in that capacity. Yet it is important to observe that the determination to admit sugar free was reached entirely without reference to any arrangement for reciprocal trade, and that, stripped of all nonessentials, the only innovation introduced by the *reciprocity section* of the McKinley Act into the conditions which would have existed without it, was:

(1) The retention of hides on the free list; and,

---

imposed by law upon sugars or any class thereof produced in, and exported direct from any such country, to the United States for such period of time as he shall think fit, so long as such products of the United States are admitted free of duty or tax into such country, and no longer."—*Ibid.*, p. 9547.

(2) The threat to impose duties upon certain articles otherwise listed as free, unless the producers of those articles should grant us such concessions as the President might approve.[16]

The discussion of the reciprocity provisions thus inserted into the McKinley bill was the first genuine congressional debate on reciprocity as a policy that had taken place. As we have seen, the discussion of the Canadian question during the life of the old treaty had been complicated by political prejudices between the two countries. The Hawaiian treaty was also largely affected by the same forces, and its passage influenced by the outcries of special interests. In the case of the other treaties which had been recommended by the executive authority, debate had always been concentrated upon some one or two special points. Now, however, it was proposed to adopt legislation which would free the executive from the dependence upon Congress, which had proved such a barrier to action. A considerable extension of reciprocity arrangements must necessarily occur, should the McKinley bill go into effect. It may, therefore, be said that the real contest over reciprocity begins with the introduction of the Finance Committee's amendment to the McKinley bill.

As might be inferred from the fact that this amendment had, in conception at least, originated with the executive, there were many Republicans in the Senate who were not pleased with an unrestricted reciprocity proposal. Senator Spooner clearly laid down the general principles on which the extreme Republicans took their stand:[17]

"I am in favor, as I think everyone now is, who is in favor of this

---

[16] An interesting sidelight on the reciprocity of the McKinley Act was thrown by Representative Grosvenor, of Ohio, in 1902, during the debate on reciprocity. Mr. Grosvenor at that time remarked: (*Congressional Record*, 57th Congress, 1st session, p. 3949):

"The great question as to the sugar schedule of that day grew out of the difference of opinion between Mr. Blaine, who had been for a long time an advocate of reciprocity, and William McKinley, who was at that early day also a disciple of Blaine reciprocity, but not committed to all the details of Blaine's position. It so happened that I myself heard in the State Department an almost acrimonious discussion between Mr. McKinley and Mr. Blaine upon this question,

bill or any bill protective in character, of incorporating in it some provision for reciprocal commercial arrangements with other countries. I am not in favor of any such reciprocity as that * * * which would open our ports to the competitive products of other countries without any regard whatever to its effects upon our industries, or to its effect upon our labor. * * * I also want to say that I am not ready to vote for the Canadian reciprocity proposition which is submitted by the Senator from Ohio (Mr. Sherman). I am not attracted by the notion that we can with any profit to our industries, or to our labor, or with commercial advantages to our country, enter at this time into a general commercial union with Canada. * * * Mr. President, I will vote for the reciprocity proposition reported by the Committee on Finance. I am satisfied with it in its scope. I am satisfied with it in its form. It is Republican reciprocity in contradiction from Democratic reciprocity. It is an extension of the principle of protection instead of an adoption of the principle of free trade."[18]

Thus Mr. Spooner very clearly indicated what, in his opinion, was the distinction between the "tropical reciprocity" of the Finance Committee's amendment and the notion of the freer trade with the American hemisphere advocated at first by Mr. Blaine. The reciprocity which constituted an extension of the principles of protection was, however, precisely the kind of reciprocity desired by Mr. Blaine in theory. It was the admission to this country of noncompetitive products and the purchase by such concessions of differential advantages for our exports in markets where we found ourselves obliged to compete with foreigners, who produced in competition with us.

Senator Spooner took this point of view in an even more plain-spoken way and showed that his antagonism to broader reciprocity did not depend upon prejudice against Canada or in favor of South America. The outlet for our products should be opened wherever it was possible consistently with the maintenance of the protective system.

"I am in favor of protecting, as we are doing by this bill, our

one side favoring a tariff on sugar, hides, etc., all put into the schedule, and then left competent for the President of the United States, in case of reciprocity, to take the tax off sugar."

[17] *Congressional Record*, 51st Congress, 1st session, p. 9878.

[18] *Ibid.*, p. 9879.

home industries and caring for the well-being of our neighbor and developing the home market for our products; and with the surplus products of farm and factory and mine, for which we have no market, I would trade with any government under the shining sun for those things which they produce that we want and which we do not produce. It need not be confined to Latin-America, either, this reciprocity for which I am willing to vote."[19]

Reciprocity, according to the true Republican view, thus contained the following elements:

(1) The products admitted to the United States must not compete with those produced by us.

(2) The countries traded with must be such as would take our surplus of manufactures and of farm produce.

(3) The concessions obtained by us must be fully equivalent in the volume of trade thereby gained to those made by the countries with which the arrangements were entered into.

Much the same attitude was taken by Senator Cullom, who, like Senator Spooner, seized the opportunity to lay down the Republican platform on reciprocity, while in general endorsing the finance committee's amendment.[20]

"I am in favor of such reciprocity between the United States and other nations, especially with the Republics of Mexico and of Central and South America, as can be agreed upon and as will open up new markets to the people of this country. * * * What we desire is to find a market for whatever surplus we may have, either in agricultural productions or in manufactures; and to secure such market we should be willing to take from the people who take our surplus, a sufficient amount of the surplus of such productions or articles as we do not produce to the extent of our needs to pay for it."

Mr. Cullom also antagonized the notion of reciprocity with Canada,[21] although he went further than Mr. Spooner in the weight he gave to political considerations:

"The attitude of that country [Canada] toward the United States and our trade relations with the people of that country are such that in my judgment we are not called upon to hasten to open new

[19] *Ibid.*, p. 9879. [20] *Ibid.*, p. 9870. [21] *Ibid.*, p. 9871.

negotiations with them for reciprocity agreements. The Dominion Government has steadily pursued a policy of aggression towards the United States. They have done so in many ways and for many years."

Mr. Morrill [22] based his argument against reciprocity with Canada upon economic grounds:

"The Canadian reciprocity treaty demonstrated * * * the profitlessness of reciprocity treaties with countries whose products of exchange are chiefly agricultural, and which we do not want."

Certain Senators, however, while accepting reciprocity in its innocuous form, were inclined to sneer at what they considered the futility of the whole plan. Even Mr. Cullom himself had admitted [23] that:

"The establishment of steamship lines and of railroads and of telegraphic communication with them [the countries South of us] [is] of more certain and lasting benefit to the country than any circumscribed reciprocity arrangements we can make with each separate republic."

And Senator Stewart threw a dash of cold water upon the enthusiasm of the moment by remarking that: [24]

"Treaties and reciprocity go for nothing. Brazil and every other South American country will buy where they can get the best accommodations."

Senator Vest made the principal assault upon the Finance Committee's amendment from the Democratic side. Disregarding the well marked principle laid down by Mr. Spooner, that true reciprocity is an extension of Republican principles, rather than of those of free trade, Mr. Vest made the claim, so often heard during the past ten years from a certain class of Democrats, that reciprocity is no more than an attempt at "free trade in spots." Mr. Vest contended that: [25]

"The howl about free trade so long and persistently lifted up against the Democratic party should now subside. The high priests of protection are burning incense upon the altars of free trade with an earnest devotion characteristic of all new converts."

Much more logically, Mr. Vest sharply criticised the man-

[22] *Ibid.*, p. 7888. [23] *Ibid.*, p. 9870. [24] *Ibid.*, p. 9840. [25] *Ibid.*, p. 7803.

ner in which it was proposed to introduce the new policy. Reciprocity, he argued, was taking altogether the wrong direction when it sought its field in South America rather than in Europe. If, as had been claimed, reciprocity with South America was intended to gain an opening for our agricultural, and not for our manufactured products, the amendment was a sham, for:

"Nearly three-fourths of the agricultural products from this country go to Great Britain; * * * [and] the South American states, instead of being in a condition for reciprocity, are to-day becoming our great rivals in the agricultural products necessary to human life."[26]

Mr. Vest also pointed out some serious contradictions in the argument of the pro-reciprocity advocates:

"Mr. Blaine says that the relief for the present depression of the agricultural interests of the United States is to find a market for the agricultural exports in South America, and the Senator from Vermont [Mr. Morrill] tells us that this is not possible because they are exporting from South America to-day after supplying their own home market and the European market."[27]

Rather than endeavor to develop an impossible market in South America, Mr. Vest pointed out that the real field for our exports was to be found in Canada.[28]

"Mr. President, if we are to hunt for markets, our markets for agricultural products must be found rather in Canada, if we are to go to countries upon this side of the Atlantic, than in the South American states, which will soon become our rivals in agricultural products, * * * yet Mr. Blaine says that we must have no reciprocity with Great Britain because that country is our great rival in manufactured goods. We have already fostered and promoted our manufactures in this country until they could run six months in the year and supply the whole home market, and until they are able to sell their manufactured products to foreigners for one-half less than they do to our own people. Mr. Blaine's market is in the wrong place.[29] The people

[26] *Ibid.*, p. 7803.
[27] *Ibid.*, p. 7905.
[28] *Ibid.*, p. 9938.
[29] Mr. Blaine, in a letter to Col. W. W. Clapp, editor of the *Boston Journal*, written from Bar Harbor, September 15, 1890 (*New York Daily Tribune*, September 17, 1890, p. 1, col. 6) answered the argument, that no agricultural products could be sold in South America, with these words:
"Certain wise men ask: How can we sell farm products in South America,

of the West cannot give up the market in Great Britain. They are bound to have our corn and our wheat. The South American people do not want it and will not take it.

"These people will take our goods when we can undersell Great Britain and not before. * * * We want to get the largest price for our corn and wheat, and intend to have it if we can. We know that we can get it in Great Britain and Canada, and we know that we cannot get it from these Latin people to the south of us."

One difficulty with the bill, which, however, did not later arise, was suggested by Mr. Carlisle on the supposed ground that the reciprocity section was really to be enforced. This was of some importance, because it applied particularly to the retaliatory character of the measure. The fear was, that should the section be rigidly applied, a number of countries would secure free admission of their sugar by granting concessions to us, while others would fail to obtain similar favors, and the result would be that the consumer would get his sugar no cheaper than before. In this case, the Hawaiian experience would be repeated and the result would be merely that the American consumer would pay roundly for trade concessions secured by our manufacturing export interests:

"Now, if we agree here," said Mr. Carlisle, "to provide that those sugars shall be subject to the imposition of the duty prescribed by the existing law, we shall not only be embarrassed by the fact that we have some sugars coming to this country from some places free, and from others subject to a duty, but consumers of sugar in this country will receive no benefit whatever from the provisions of this bill in relation to free sugar, because, unless we receive from those countries which impose no duties a sufficient amount of sugar to supply our demand, then the prices of sugar will be the prices of the sugar which pays a duty." [80]

The passage of the committee amendment by the Senate without the provision for Canada was, of course, a foregone

---

when the same things are produced there? Cereals are undoubtedly grown in the southernmost parts of South America, but the wise men will remember that cereals and sugar do not grow in the same soil, and that the sugar countries of South and Central America, and the West India Islands, contain forty million of people who import the largest part of their breadstuffs. Indeed, the largest part of the sugar product of all Latin-America is at our doors, and we can greatly enlarge our exchanges there if Congress will give us the opportunity for reciprocal trade."

[80] *Ibid.*, p. 9842.

conclusion. By a vote of 37 yeas to 28 nays, 19 members being absent or not voting, the reciprocity section was adopted.

In the House, the debate followed very much the same lines as in the Senate, except that more was said concerning the retaliatory aspect of the section. Mr. Hitt set forth the familiar Republican attitude toward the bill rather magniloquently, as follows:[31]

"We would be glad to maintain relations and intercourse with all countries. This bill contemplates and provides for reciprocity, especially with nations to the south, in those articles which they produce, and we do not produce but need, such as sugar, coffee, etc., in exchange for articles of which we have a surplus, such as our farm products, meat and grain, which they do not produce, and from which we expect them to remove the high duties they now impose, and thus make a wider market for our farmers.

"Reciprocity is, of course, to be obtained by friendly negotiations. But this great republic does not forget its dignity, nor go beseeching favor. * * * The foreign policy of the Republican party is friendly, liberal, comprehensive, but firm, and first and always for our own American people."

Similarly vague expressions indicating satisfaction with the policy of retaliatory reciprocity were used by Mr. Gear and others.[32]

The clearest explanation of the attitude of the protectionists was, however, offered by Mr. Andrew, of Massachusetts, who described their views on the subject in the following language:[33]

"The Merchants' Association of Boston, an organization composed almost entirely of Republicans, has passed the following resolution:

" 'That recognizing a tariff or a duty laid upon foreign goods to be a tax which in its practical effect depreciates the price or value of the goods in the foreign port, as well as increases it in our own, we believe it to be just in principle and wise in policy, * * * to promote better commercial relations in such adjustment of duties as shall stimulate and increase our trade with other people." * * *

"The Secretary of the Home Market Club in a published communication uses this language:

[31] *Ibid.*, p. 10591. [32] *Ibid.*, p. 10617. [33] *Ibid.*, p. 10620.

"'What I said was that I favor, and so do members of this club, so far as I know, reciprocity limited to such articles as are not competitive between the contracting nations, and in the production of which each has a natural advantage over the other. * * * If this is free trade, then I am guilty; but it looks to me like enlarged protection. We desire all markets and products that do not impair our own.'"

"This evidence from high Republican authorities," continued Mr. Andrews, "shows that the provisions of this bill are absolutely antagonistic to the needs of the people."

"In order to allay opposition and to seem to meet the popular will, it is proposed to amend this bill by adding a section which pretends to grant reciprocity of trade with foreign countries."

That the bill was designed to aid manufacturers and not farmers, was very plainly argued by Mr. Brookshire:[34]

"I contend that reciprocity with the Southern countries will not materially assist our farmers, because they will not there secure markets of such consequence for their surplus products. The people who will receive the benefits of reciprocity in the main will be manufacturers who desire raw materials. The people of South America want manufactured goods, the people of the Argentine Republic and Chili desire agricultural implements, and all of the countries of South America desire street cars for their cities, rolling stock for their railroads, and all manner of iron and steel goods, and they want petroleum; so that reciprocity would furnish a market for some of the output of the great Eastern manufacturers. It would furnish a good market for the goods made by Andrew Carnegie and the Standard Oil Company. * * * Reciprocity, as here proposed, is a scheme to perpetuate the life of this protective policy.

In a similar strain Mr. Herbert reviewed the motives which led Secretary Blaine to recommend the introduction of the reciprocity amendment.[35] Other members vigorously attacked the extraordinary power supposed to be lodged in the hands of the President by the provisions of the bill vesting him with authority to negotiate and proclaim treaties.[36] Retaliation was denounced by many Democrats because it was said to "tax our own people on what they must consume, to punish

[34] *Ibid.*, p. 10633. [35] *Ibid.*, p. 10587. [36] *Ibid.*

others for an existing or supposed grievance."[37] The Senate amendment, however, suffered no change in the House, and the bill was finally sent to conference, from which the reciprocity clause emerged unaltered.[38]

---

[37] *Ibid.*, p. 10638.

[38] The bill passed the Senate September 10, 1890; yeas 40, nays 29, absent 15. Conferees had been appointed by the Senate on September 10, by the House on September 16, (*Ibid.*, p. 9943 and p. 10114); conference report made and debated in both Houses (pp. 10114-10727); agreed to by the Senate September 30, 1890, yeas 33, nays 27, absent 24 (p. 10740); agreed to by the House September 27, 1890, yeas 151, nays 81, not voting 94 (p. 10641).

CHAPTER VII.

OPERATION OF THE McKINLEY ACT.

There were some persons who conceived their interests to be placed in jeopardy by the reciprocity sections of the McKinley Act. As we have seen, the claim that the constitution of the United States would not bear Congress out in conceding to the President authority to make and ratify treaties without further approval from the legislative body, had been raised in one or other of the two Houses at intervals, ever since reciprocity was first discussed as a policy. The McKinley Act, however, was the first definite attempt at the legal recognition of reciprocity, and hence it was not until it had been passed that an opportunity was afforded for bringing the relative powers of the President and of Congress to the test. Not long after the act had gone into operation, cases were brought before the Supreme Court in which its constitutionality was involved.

In Fields vs. Clark, which came to the Federal Supreme Court from the Circuit Court of the United States for the Northern District of Illinois, and in Boyd v. United States and Sternbach vs. the United States, which came from the Federal Circuit Court for the Southern District of New York, substantially similar points were raised.[1] It was contended that section three of the McKinley Act violated the Constitution, because in effect it granted to the President both legislative and treaty powers.

The United States, on the other hand, contended that precedents supported the right of the President to exercise such

[1] United States Reports, Vol. 143, pp. 649 *et seq.*

powers when authorized by Congress to do so. Speaking of the constitutional point at issue, the court held, as follows:

"Congress cannot delegate legislative power to the President. * * * The act of October 1, 1890, in the particular under consideration is not inconsistent with that principle. It does not in any real sense invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries producing and exporting sugar, molasses, tea, coffee and hides, Congress itself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles should be suspended as to any country producing and exporting them that imposed exactions and duties on the agricultural and other products of the United States which the President deemed—that is, which he found to be—reciprocally unequal and unreasonable. Congress itself prescribed, in advance, the duties to be levied, collected, and paid on sugar, molasses, coffee, tea, and hides produced by or exported from such designated country while the suspension lasted.

"Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. * * * He had no discretion in the premises except in respect to the duration of the suspension so ordered. * * * He was the mere agent of the law-making department to ascertain and declare the event upon which its expressed will was to take effect." [2]

The Supreme Court also held that the constitutionality of the McKinley Act was entirely in harmony with many precedents to be drawn from our diplomatic and executive history. More particularly it referred to the proclamation issued by President Arthur, in 1884, concerning our tariff relations with Cuba and Porto Rico; and to the proclamation of President Cleveland of October 13, 1886, which revoked the orders of President Arthur given in the proclamation issued two years earlier. Altogether the decision was a complete victory for the contentions of the administration with regard to reciprocity.

The most important application of reciprocity which actually took place under the McKinley tariff was the treaty signed

[2] Chief Justice Fuller and Justice Lamar dissented from this opinion, holding that no part of the legislative power can be delegated to any other department of the government and that the reciprocity section of the McKinley Act did delegate such authority.

with Brazil on February 5, 1891.[3] In the amount of trade involved, this treaty was of much larger importance than that negotiated with any other of the South American countries with which we entered into relations. Both our imports and exports in the Brazilian trade were greater than those concerned in any other reciprocity agreement, except the one made with Germany. As has been seen, our negotiations with Brazil had been begun in 1889, and their continuance under the McKinley Act was nothing more than the carrying out of what had already been previously undertaken. The negotiations were in fact resumed immediately after the passage of the McKinley bill, and, as already stated, a treaty was signed February 5, 1891, which went into effect on April 1 of the same year. By the terms of this agreement, Brazil retained the advantage of the free admission of sugar, hides, molasses, coffee and tea to the United States as provided in the McKinley Act. On the other hand, we secured the admission to Brazil of a lengthy list of agricultural and manufactured goods. The former included fruits and vegetables, dairy products, lumber, flour and grain. The latter comprised agricultural implements and machinery, all machines for manufacturing and industrial purposes, and railway material and equipment. Brazil also added a schedule of articles upon which duties had been reduced twenty-five per cent. This list comprised certain hog products, manufactured cotton, wagons, cars, carriages, etc., and all manufactures of iron and steel not included in the free list.

The reciprocity provisions of the McKinley Act were carried further and an attempt was made to secure their accept-

[3] The agreement with Brazil was the first negotiated under section 3 of the McKinley Act. It was concluded on the 31st of January, proclaimed the 5th of February and went into effect on the 1st of April, 1891. As with certain other South American countries, commerce was injured by the panic of 1891, which had such disastrous effects in the countries affected by it. (Senate Executive Document, No. 119, 52d Congress, 1st session.) The overtures came from Secretary Blaine. "The government of the United States of America," he wrote, "being desirous of maintaining with the United States of Brazil such trade relations as shall be reciprocally equal, I should be glad to receive from you an assurance that the government of Brazil will meet the government of the United States in a spirit of sincere friendship."—*Ibid.*, p. 30.

ance generally throughout South America. Mr. John W. Foster, representing the Secretary of State, succeeded in negotiating treaties with Spain for Cuba and Porto Rico,[4] and with England for Jamaica, Trinidad, Barbadoes, Guiana, the Leeward and the Windward Islands.[5] Treaties were also signed with Santo Domingo,[6] Guatemala,[7] Salvador,[8] Costa Rica, Honduras [9] and Nicaragua.[10] These treaties, carrying into

[4] The reciprocity agreement with Spain, acting on behalf of Cuba and Porto Rico, was concluded June 16, proclaimed August 1, and went partially into effect September 1, 1891. "Owing to existing treaties with other nations, it became necessary to adopt a provisional or transitory schedule," and the arrangement did not acquire its full force until July 1, 1892. (*Ibid.*, 11-12.) The treaty itself was negotiated by Mr. Blaine through the Spanish Legation at Washington, the initiative being taken by Mr. Blaine. (*Ibid.*, p. 39.)

[5] The treaty for the British colonies was concluded, proclaimed and went into effect on February 1, 1892. The negotiations were conducted in Washington by Secretary Blaine and the British Minister, Sir Julian Pauncefote. It did not include Guiana, and its dependencies. (*Ibid.*, pp. 86-88.)

[6] The treaty with Santo Domingo was concluded June 4, proclaimed August 1, and went into effect September 1, 1891. It was negotiated by John W. Foster, Special Commissioner on behalf of the United States, Santo Domingo being represented by its Minister at Washington, Señor Galvan. The initiative was taken by Santo Domingo after that country had received official notification of the passage of the McKinley Act. By a decree of July 4, 1887, a Dominican government had placed agricultural implements and supplies for sugar estates, etc., upon the free list; musical instruments of all kinds, building materials, panama hats, revolvers, carts, shovels, etc., were charged a duty of ten per cent. In order to put into effect the idea of special reciprocal relations with the United States, the President of Santo Domingo by a decree dated August 5, 1891, placed agricultural implements and panama hats on the tariff list, fixed duties of $2 on revolvers and $2 per hundred on revolver caps, and ten per cent. on musical instruments.

[7] The treaty with Guatemala was concluded December 30, 1891, proclaimed May 18, 1892, and went into effect May 30, 1892. The reciprocity provisions of the McKinley Act were brought to the attention of the Guatemalan government at the instance of Mr. Blaine on January 22, 1891, by Samuel Kimberly, chargé d'affaires of the United States at Guatemala City. The government responded favorably through its Minister at Washington, submitting a schedule for the consideration of the United States which was agreed to and made legal by the act of the legislature of Guatemala, April 30, 1891. (*Ibid.*, pp. 98-102.)

[8] The treaty with Salvador was concluded December 30, 1891, was proclaimed December 31, 1891, and went into effect February 1, 1892. The negotiations were made by Secretary Blaine and Señor Morales, Minister of Salvador at Washington. The treaty was at first provisional, and it was understood that "should the Congress of Salvador take no action on the subject before its adjournment, the government of the United States may terminate the provisional arrangement * * * by giving the government of Salvador thirty days' notice * * * and if no definite arrangement shall have been made before January 1, 1893," the government of the United States could likewise terminate the treaty. (*Ibid.*, pp. 89-93.)

[9] The treaty with Honduras was concluded April 29, 1892, proclaimed April 30, and went into operation May 25, 1892. The reciprocity provisions of the McKinley Act were brought to the attention of the government of Honduras by Mr. Kimberly. The government responded favorably through its Consul General at New York, Jacob Baiz, proposing a provisional treaty to take effect May 25, subject to the further action of the Congress of Honduras, the United States having the right, should the Congress take no action, to terminate the treaty on thirty days' notice, or, if no permanent treaty should be negotiated before January 1, 1893. (*Ibid.*, pp. 104-6.)

[10] The treaty with Nicaragua was concluded March 11, 1892, proclaimed March 12, and went into effect April 15, 1892. It was negotiated by Secretary Blaine and the Minister of Nicaragua at Washington, Señor Guzman. (*Ibid.*, pp. 94-97.)

effect the idea of "tropical reciprocity," were closely similar in their nature one with another. They, of course, were all alike in their being based upon the admission of the same class of products to the United States free of duty, that class being the general one provided for in the McKinley bill. The products to be admitted from the United States to the various countries in question did not differ materially among themselves, although they varied somewhat according to the needs of our trade with the several countries as demonstrated by experience. The treaties all included live animals, especially those intended for breeding; some grains, such as oats, barley, rye, and corn, the latter being in some cases subjected to a moderate duty; meat products of various kinds; bridge-building materials; cotton seed and its products; cars, wagons, etc.; railway material, and timber and iron for ship building and engines. Some of the treaties were more inclusive than others and enumerated a much longer list of articles. In some instances, there were exceptions to the schedules provided by other countries, these exceptions being due to some peculiarity of the industry of the particular country in question. In every case, the treaty countries naturally desired to protect their home producers.

Almost uniformly the reciprocity idea was based upon the notion of admitting all those manufactured goods which we produced in large quantities, but which they were obliged to import either from the United States or from Europe. The underlying principle was to gain the South American market, so far as possible, at the expense of European sellers, and, in return therefor, to admit to our own markets the reciprocity commodities enumerated by the McKinley bill, which were either not produced at all in the United States, or in insignificant quantities only, and which, therefore, could not be dreaded as possibly injuring American producers. From what has been said, therefore, it is seen how the tropical reciprocity of the McKinley bill actually worked out as a bargain, whereby we

secured openings for our manufactures, but in return gave no special advantage to any of the treaty countries as against each other. The openings for manufactures were, in short, obtained by the use of what amounted to a direct threat of retaliation, since we offered not a differential advantage to the countries concerned, but presumably—should our reciprocity policy be carried far—only a differential disadvantage. While we stood ready to admit the reciprocity commodities free from all the world, we refused to admit them free from those countries with whose tariffs we were not satisfied.

There were some South American countries, indeed, which did not hesitate to show their lack of enthusiasm for reciprocity. After the tariff act of 1890 had gone into effect, the attention of foreign ambassadors at Washington was drawn to the provisions of the law, and they were invited to discuss treaties of reciprocity between their countries and the United States. This, of course, practically amounted to a threat that if the countries did not accept such suggestions they would find themselves the subjects of discrimination, in consequence of the power granted by the McKinley Act to reimpose duties on sugar, molasses, coffee, tea and hides imported to the United States.

Special overtures had been made to Colombia at the outset. Not only had the usual invitation been sent to the Colombian Minister at Washington, but John T. Abbott, our Minister at Bogota, had been directed to discuss the question of reciprocity with the Colombian Minister of Foreign Affairs. Nothing came of this attempt at negotiation, and Mr. Blaine, therefore, notified the Colombian Minister (January 7, 1892) that "unless some satisfactory commercial arrangement [should be] entered upon between the Government of the United States and the Government of Colombia on or before the 15th of March, 1892," the President would enforce the retaliatory provisions of the McKinley Act. This threat finally aroused Colombia, and her Minister sought to take refuge behind a most favored

nation clause contained in an early treaty signed in 1846, but promised that the President of Colombia would endeavor at the next meeting of the Colombian Congress to obtain tariff concessions for the United States. Not statement of changes to be recommended in the Colombian tariff was, however, forthcoming, and no weight was assigned by Mr. Blaine to the "most favored nation" claim, already referred to. The threat made in January was, therefore, put into effect, and President Harrison issued a proclamation March 15th, reimposing the old duties upon the reciprocity commodities of the McKinley Act, so far as related to Colombia.

Similar experience was had with Hayti. It seemed to be impossible to secure any attention to our communications concerning reciprocity, and that country was consequently subjected to the same treatment as Colombia by the proclamation of March 15th. Our relations with Venezuela were somewhat different, but had the same result. A treaty was negotiated and agreed upon in Washington, and was forwarded to Caracas for the approval of the home government. Owing to a variety of circumstances, however, no action was taken on this treaty, although the President of Venezuela transmitted it to the Congress of that country, which thereupon authorized the Minister of Finance to continue the negotiations. No steps being taken by him or the executive authorities of Venezuela, the proclamation of the 15th of March was also made applicable to that country, and the original duties were imposed upon its sugar, molasses, coffee and hides.

There are certain important bearings of this kind of reciprocity which deserve to be specially noted. In the first place, as has already been made clear, the reciprocity provided for was negative and not positive. It might militate in favor of the consumer by assuring him lower prices for the articles in question, inasmuch as it might mean the admission of these commodities from practically all the world. This followed from the substantial assurance that all countries producing

the articles in question would come into the agreement, since they could not afford to find themselves left out by the enforcement of our retaliatory tariff against them. The situation produced was thus very different from that which had existed under the Hawaiian reciprocity treaty, since the presumption now was, that, all countries sharing in the advantages of the lower duty, a general competition would take place in the American market. This may be contrasted with the Hawaiian treaty, which merely assured to the sugar producer of the Islands a market for his product with practical guaranty of continued high prices, since we were obliged to import the largest portion of our supply from countries against which we enforced a tariff. The new kind of reciprocity (under the McKinley Act) benefited, rather than injured, the American consumer and held out some hope of advantage to the American manufacturer. Whatever might be thought of the justice or dignity of clubbing our way into foreign markets by a tariff threat of such a nature, there seemed to be some reason to suppose that it would, at all events, prove effective.

There was, however, one phase of the McKinley reciprocity section which opened up an apparently much more important field than any which could be found in the countries south of us. Treaties were negotiated under it with Germany [11] and with Austria-Hungary.[12] The former of these countries gave

[11] The treaty with Germany was concluded January 30, 1892, proclaimed February 1, 1892, and went into effect on the same day. The McKinley reciprocity provisions were brought to the attention of the German chargé d'affaires at Washington by John W. Foster, August 22, 1891. The German government responded favorably. It offered to grant the same terms to the United States upon its agricultural exports to Germany as were granted to Austria-Hungary, with which a like treaty was then being negotiated. These terms were accepted by Mr. Foster. The treaty thus differed from those negotiated with the South American countries, since it was not a special agreement, but merely placed us upon the same footing with reference to Germany as some other countries enjoyed in entering her markets. (*Ibid.*, p. 111.)

[12] The treaty with Austria-Hungary was concluded May 25, 1892, proclaimed May 26, 1892, and went into effect on the same day. It was negotiated by Secretary Blaine and Chevalier de Tavera, the Austro-Hungarian representative at Washington. Mr. Blaine had been stirred up by Democratic sneers and inquiries as to why he did not apply the retaliatory provisions of the McKinley Act to European countries. In a note of January 7, 1892, he stated that unless some concessions were granted by the Austro-Hungarian government before March 15, the President of the United States would issue a retaliatory proclamation against Austria-Hungary pursuant to the authority bestowed by the McKinley Act. On

us a reduction of her tariff on certain enumerated articles, some few of them being placed on the free list. The latter country gave us the advantage of the general low rates of duty which had been granted to Germany and other nations in the commercial treaties negotiated with them by Austria-Hungary. The articles upon which we secured a reduction in the German trade included cereals of various kinds, among them corn and wheat, meat products, except pork and bacon, most kinds of cheese, oleomargarine, flour and certain live animals. On the free list were placed undesignated agricultural products, hides and skins, tan bark and wool.

The treaty with Austria, by which we were placed on the same basis as sundry other nations, gave us considerable reductions on machinery, manufactures of cotton, chemicals, brass, earthenware, fruits, glass, iron and steel manufactures, paper, wood and wood manufactures, woolen yarn and a variety of other articles. Thus the treaty made with Germany was primarily favorable to our agricultural interests, while that with Austria gave essential advantages to manufacurers, but did little, comparatively speaking, for the American farmer. No other reciprocity treaties were negotiated with European countries under the McKinley Act. It scarcely needs to be again pointed out that the reason why Germany and Austria were willing to enter into such agreements was wholly a desire to secure an opening for their sugar. Neither of the countries, of course, was a producer of coffee or tea, and neither had hides for export. The fact that they were straining every nerve to promote the interests of their beet-sugar industry was, however, a sufficient motive to induce them to undertake reciprocity arrangements. That being the case, it

---

May 2 the Austro-Hungarian Minister proposed concessions on the basis of the "favored-nation" principle which were accepted by the United States. "The Austro-Hungarian government," wrote Mr. de Tavera (Note of May 2, 1892, *Ibid.*, p. 123), "is consequently prepared to grant such reductions of duties as have been, or may hereafter be, granted to other States by commercial treaties so far as such reductions are applicable to all countries enjoying the usage of the most-favored nation, to similar productions from the United States of America on their importation into Austria-Hungary."

would naturally have been expected that some of the other European countries would have sought the same means of promoting the interests of their sugar industry. Such an effort was, in fact, made by France, but without success.

Some of the controversy that has arisen concerning the actual effects of reciprocity has been due to the fact that it has often been attempted to discuss the subject on the basis of aggregate export and import statistics. It requires no elaborate discussion to see that whatever might be the justice of this point of view, under circumstances where reciprocity had been secured either in all of our main exports and imports, or in so large a group of them as was represented, for instance, in the Canadian reciprocity treaty, it would be distinctly unfair to base the discussion solely upon such grounds, in those instances where the reciprocity in question was confined to a single limited group of commodities imported to the United States, and to a group of exports formed of similar and not widely extended classes of goods. The general course of trade is important, but it requires interpretation in the light of special statistics.

It is necessary, in considering reciprocity of the kind which existed under the McKinley Act, to study the exports and imports of special kinds of commodities whose movements were likely to be stimulated by the treaty, bearing in mind the fact that in some instances an increased exportation of particular kinds of goods almost necessarily implied a decreased exportation of other goods to those same countries, so that what was gained in one direction was lost in another. As we have seen in reviewing the McKinley treaties, those which were negotiated with the South American countries, while admitting their sugar, molasses, coffee, tea and hides free from the countries in question to the United States, provided for the admission of two general groups of commodities from the United States to these countries. The first of these groups was agricultural in its nature and included certain grains, flour, sundry meat

products, and ordinarily certain forms of lumber. The second group was of a manufactured character and comprised chiefly building materials, railway iron and equipment and machinery. It would naturally have been expected, therefore, that the advantage, if any, gained by our producers, would have been gained by those who were engaged in producing these particular classes of commodities.

Considering first the gross statistics of trade with the South American countries which entered into reciprocity agreements with us under the McKinley Act, it seems in most cases to be a matter of great difficulty to recognize any particular effect directly traceable to our new treaty arrangements. Cuba, however, forms an exception. In the case of that Island it appears that during a treaty period lasting from September 1, 1891, to August 27, 1894, exports from the United States largely increased, rising from $13,084,415 during the fiscal year ending June 30, 1890, and $12,224,888 for the fiscal year ending June 30, 1891, to $17,953,570 during the fiscal year 1892, and to $24,157,698 during 1893. Exports fell off again during the year ending June 30, 1894, when they were only $20,125,321, but the effect of the termination of the treaty was apparently seen during the year July 1, 1894 to July 1, 1895, when exports amounted only to $12,807,661, although a part of this decline must be attributed to general disturbances in the Island. There was thus a marked upward increase of trade with Cuba during the life of the reciprocity treaty. Taking the fiscal year ending June 30, 1893, when our trade reached its largest proportions, some idea of the effects of the agreement may be gained by examining the details of our exports. Of the $24,157,698, which represented our gross shipments to Cuba, the largest items were wheat flour to the amount of $2,821,557, general machinery $2,792,000, miscellaneous manufactures of iron and steel $1,344,000, lard $4,624,000, lumber $1,192,000, hams $761,000, illuminating and lubricating oils $546,000, bacon $557,000, and

potatoes $554,000.[13] In short, it thus appears that our large increase in exports to Cuba was really found in those particular lines which were favored under the reciprocity treaty. On the other hand, our other exports to Cuba were in exceedingly small amounts. As to imports from Cuba during 1893 (when the gross amount brought to the United States was valued at $78,706,506 as against at total of $53,801,591 in 1890), it appears that the increase was narrowly confined to a very few articles. Sugar alone in 1893 amounted to $60,637,000, or more than the gross aggregate of our imports from Cuba prior to the treaty, while unmanufactured tobacco was about $9,000,000, a result which makes it evident that little else besides these two commodities came from the Island during the year in question. The falling off in American exports after the abrogation of the treaty occurred chiefly in flour, meat products and machinery, while the decline in imports (which fell to $52,871,259 in 1895) was largely a falling off in sugar. That commodity again reached substantially the level it had found before the McKinley bill was passed.

When, however, we pass from a study of Cuban trade it becomes very difficult to trace the influence of reciprocity further. In the case of Brazil, it does not appear that we were able to develop our export trade to that country to any considerable extent. For the fiscal year ending June 30, 1890, we sent Brazil merchandise valued at $11,972,214, while for the following fiscal year this amount rose to $14,120,246. The new treaty went into effect April 1, 1891. Yet for the year July 1, 1891, to June 30, 1892, the gross exports to Brazil were but $14,291,873, or substantially what they had been during the previous year. For the following year they even declined to $12,388,124 and only slightly recovered in 1894, when they amounted to $13,866,006. The treaty with Brazil was abrogated August 27, 1894, yet for the year July 1, 1894-

[13] House Report, No. 2263, 54th Congress, 1st session, pp. 245 ff.

June 30, 1895, the trade grew to $15,165,079, a figure considerably larger than any attained during the life of the reciprocity agreement. For the years 1896, 1897 and 1898 exports continued substantially what they had been. On the other hand, a certain direct result of the treaty seems to be traceable in the imports from Brazil. These had amounted to $59,318,756 for the year ending June 30, 1890—a sum which was about normal, as the trade was then moving between the two countries. Yet, for the fiscal year, 1891, imports grew with a sudden bound to $83,230,595 and for 1892 to $118,633,604. They fell off in 1893 to $76,222,138 and in 1894 to $79,360,159. Much may be learned concerning the Brazilian trade by a detailed consideration of its statistics. From such a comparison, it appears that the main export articles in which a slight increase during the years 1891 and 1892 occurred were wheat flour, iron and steel and manufactures thereof, mineral oil and provisions. Yet nearly all of these articles show a decline from 1893 to 1894, and a more marked decline during the following year. Turning to imports, however, the effect of the treaty in certain specified articles is at once manifest. Of these the chief was coffee. Imports of coffee from Brazil rose from $45,664,127 in 1890 to $95,751,724 in 1892, thus more than doubling. Hides and skins, however, showed little or no increase, nor did India rubber and crude gutta percha do better. Wool imports were substantially unchanged, and sugar showed only a moderate movement which, however, had really been inaugurated prior to the negotiation of the treaty. Upon a strict analysis of the figures, there appears little evidence to warrant the supposition that the reciprocity treaty affected imports of sugar from Brazil in any way whatever. Practically the only result produced by it was, as has just been seen, in coffee.

Trade with British Guiana showed a barely perceptible effect resulting from the treaty. During the years 1888, 1889 and 1890 our exports to that country had, as a rule, been

well under $2,000,000 per annum. During 1891 and 1892 very little change in the export figures is observable, but they finally rose in 1893 to about $2,000,000 and in 1894 to $2,414,720. The treaty ceasing its operation on August 27th of that year, this slight improvement was lost and exports fell in 1895 to $1,705,631, substantially the figure reached by the trade in 1888. On the side of imports, not very much better results were secured. They amounted to $4,326,975 in 1890, and 1892 found the quantity of goods sent out practically unchanged. In 1893 it rose to $5,029,178, fell off as quickly in the following year to its old level, and in 1895 received a severe setback, possibly owing to the abrogation of the agreement. From the detailed statistics it appears that the small gain made by our trade with British Guiana in 1893 and 1894 is to be found on the side of exports chiefly in wheat flour, provisions, and manufactures of wood, and on that of imports for the most part in sugar, which constituted practically the whole of the merchandise coming from that country.

Quite the same showing was made by Porto Rico. Our exports to that Island were $2,297,538 in 1890 and were very little higher in any successive year until 1894. when they rose to $2,720,508. They fell only slightly upon the termination of the agreement, being $2,102,094 in 1896. Imports from Porto Rico to the United States even declined during the life of the agreement. They were $4,053,626 in 1890, sank to $3,248,007 in 1892, rose slightly in 1893 and fell again to $3,135,634 in 1894. The termination of the treaty seemed, as in the case of several other countries, to have the effect of administering a sharp check to trade. In 1895 our imports from Porto Rico were only $1,506,512, an amount less than any taken by us from the Island for several years prior to the reciprocity negotiations. In 1893 a slight increase in sugar imports is observable, other commodities falling off at about the same time. Reviewing the detailed exports, it appears that some gains were made in bread stuffs during 1892, 1893 and 1894,

and that there was a slight growth in manufactures of iron and steel. Other commodities showed little or no change, the tendency being even to decline during the treaty period.

With the British West Indies a larger volume of trade was carried on than with any other of the South American countries except Cuba and Brazil. Yet there was little perceptible result from the reciprocity treaty even here. Exports to the British West Indies were $8,288,786 in 1890 and $9,779,138 in 1891. Inasmuch as the reciprocity treaty went into effect February 1, 1892, its results should have been clearly perceptible during the fiscal year July 1, 1892-June 30, 1893. Yet, for this year, our exports to the British West Indies amounted to only $8,044,846. The treaty like the others came to a close on August 7, 1894, and our exports for the year July 1, 1894-June 30, 1895, fell slightly, amounting to $7,764,178, about the same figure they had reached in 1888. They rose again in 1896 and continued on substantially the same level as before the negotiation of the treaty. Imports from the British West Indies had been anywhere from $12,000,000 to $15,000,000 annually during years just prior to the reciprocity negotiations. They were $16,293,184 for the fiscal year ending June 30, 1891, and fell to $12,440,132 for the following year, the treaty, as already remarked, having gone into effect February 1, 1892. For 1893, exports were $16,028,592—a figure smaller than that for 1891. The termination of the agreement reduced imports to $9,777,444, but they recovered speedily, reaching $12,285,885 in 1897, or only a little less than the returns for 1892. Detailed figures for the export trade with the British West Indies show a slight increase in manufactures of iron and steel during 1892-1895, and another slight increase in cloth for the same years. Provisions also rose very slightly, and a perceptible increase occurred in tobacco. On the side of imports, sugar rose very perceptibly in 1893, at which time it amounted to $9,487,434. Fruits and nuts also increased in 1893, and the succeeding year there was

a slight upward trend in cocoa. Other articles declined heavily at the same time.

The trade with Guatemala, Honduras, Nicaragua, Salvador and Santo Domingo exhibits no features of any special interest. In none of them is there any clear and unmistakable effect traceable to reciprocity; in each of them there are the same inexplicable declines in some lines of exports from the United States, and although, here and there, there is a marked growth in the trade of some particular article going to or coming from one of the countries, this is almost always compensated by a similar decline elsewhere. Guatemalan trade actually grew after the abrogation of the treaty, and the same was true of that with Honduras, Nicaragua and Salvador.

Turning from the statistics of trade with the South American countries to those representing our dealings with Europe, an explanation of the course of events seems harder than ever to find. Our exports to Germany had been growing rapidly from 1888 to 1891. In the latter year they reached $92,795,456. The treaty with Germany went into effect on February 1, 1892, and our exports for the fiscal year ending June 30, 1892 (which thus included about five months of reciprocity), were $105,-521,558. Yet, during the year next succeeding, they were only $83,578,988, or less than they had been during any year since 1889. In 1894 our exports rose again to about $92,357,163, but this sum was not so large as the amount we had sent abroad in 1891. So of imports. These in 1890 were $98,837,-683, yet in 1892 they were only $82,907,553. They rose again in 1893 but fell off heavily in the fiscal year 1894, just prior to the abrogation of the reciprocity treaty. The termination of the agreement seemed to help more than it hurt them, for they rose to $81,014,065 in 1895. Almost exactly the same story, both as regards exports and imports, is seen in the trade with Austria-Hungary.

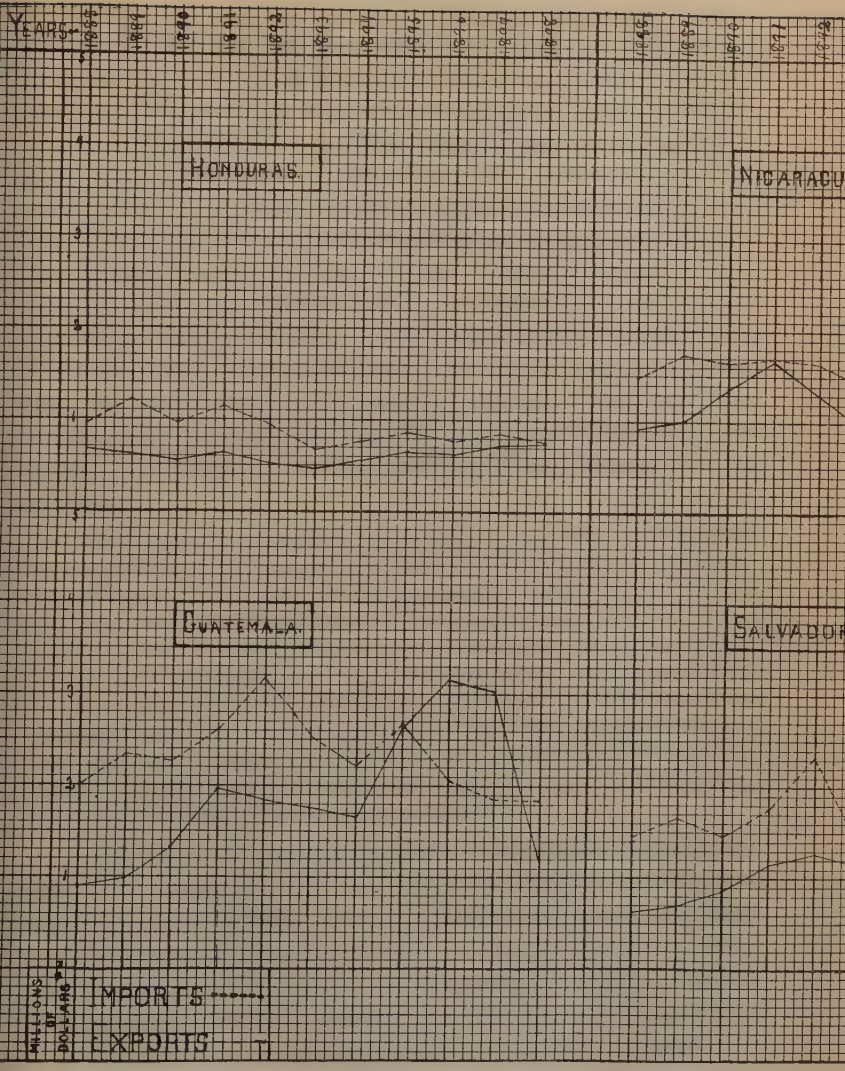
In the accompanying charts, the course of events in the trade between the United States and the various reciprocity

countries of the McKinley Act has been traced. As will be seen, by following the lines marked on the charts, it usually appears that both exports and imports fall off in 1893 and 1894, probably as a result of the bad commercial conditions of those years, although there are exceptions to the rule. For example, in the case of Santo Domingo there is an increase, both in exports and imports, from 1892 to 1894 inclusive, and the decline does not come until 1895, after the abrogation of the reciprocity treaty. In the case of Porto Rico, the highest point in exports is reached in 1892 and a fairly steady decline thereupon ensues. Imports from Porto Rico, on the other hand, reached their highest point in 1893, and immediately declined very heavily, reaching low water mark in 1895. The course of trade with Porto Rico, however, must be explained by political and other conditions which had little or nothing to do with the reciprocity question. The main inference to be drawn from the statistical and graphic summary thus given is that little or no direct influence on trade can be attributed to reciprocity. The commercial conditions of the time were so much disturbed throughout the world, and particularly in the United States, that trade would in any event have been likely to suffer some severe fluctuations. There were also circumstances tending to have an important influence which, of themselves, would probably have sufficed to obscure the effect of the reciprocity policy.

That the trade situation just sketched was deeply disappointing to the adherents of the reciprocity doctrine goes without saying. Pursuant to the request embodied in a Senate resolution of April 6, 1892, relative to commercial agreements made with other countries, President Harrison transmitted a message in which he sketched the outlook for the growth of commerce under the new agreements. The message indicated at the start some degree of recognition of the fact that the reciprocity situation was unsatisfactory. "It is proper to suggest," wrote the President, "that the practical effect of these arrange-

ments cannot be measured by the commerce of a month or year, for the result must depend not alone upon the character of concessions secured by diplomatic negotiations but by the degree to which they are utilized by private commercial enterprise." In other words, the President recognized that the prevalent opinion of the country was correct in feeling that the results attained under the reciprocity treaties were proving more or less unimportant. In the opening words of the message just quoted, he unmistakably indicated a disposition to shift the burden of responsibility for the failure of the treaties to create an immediate growth in our trade to the unreadiness of our business men to take advantage of the trade openings said to be held out to them. As if, however, to take off the sharpest edge of the rebuke thus implied, the President further pointed out that American business men were not wholly to blame since "their European rivals are entrenched in the markets of the southern countries by the experience of a century. They have built up their trade by the establishment of agencies and local branches of their home establishments, by strict compliance with the tastes and arbitrary requirements of consumers, by furnishing lines of communication and transportation, by establishing banking facilities and systems of credit, by personal acquaintance and frequent contact with their customers." President Harrison also made the recommendation which naturally followed from the inquiries of the Pan-American Congress, and which had so long been reckoned a part of the reciprocity policy. This was the demand for artificial stimulus to transportation connections with South America, and to international banking agencies which should make it easier to pay money in South America. "Before the full results of the reciprocity arrangements can be realized, we must provide the means of transacting our own business, independent of the ships and banks and capital of our commercial rivals," wrote the President. Mr. Harrison, in fact, was able

SANTO DOMINGO.
PORTO RICO.
YEARS.
MILLIONS OF DOLLARS


YEARS
HONDURAS.
NICARAGUA
GUATEMALA.
SALVADOR
IMPORTS
EXPORTS
MILLIONS OF DOLLARS

CHAR

to establish but a very slender thread of connection between the course of trade and the reciprocity treaties. In the case of Brazil, he found that during the first twelve months of the treaty our exports had increased as compared with the twelve months ending March 31, 1890 (the corresponding date), by about $3,307,640, while as compared with the twelve months ending March 31, 1891, which thus immediately preceded the first year of the life of the treaty, they were less by $1,052,573 than during the first twelve months. This increase of a trifle over a million dollars was chiefly in wheat flour and manufactures of steel and iron. There was a heavy falling off in wheat as well as in pork products. Naturally it was incumbent upon the administration to explain why the treaty had thus strengthened the manufacturer, but had done nothing for the farmer. Mr. Blaine furnished the following reasons for the movement:

"The falling off in wheat is due to two reasons: first, an attempt on the part of the milling companies of Brazil to boycott the cereals of the United States, and second, to the enormous harvest during the last year in the Argentine Republic, which was larger than ever was known before and could be sold at Rio at prices much below the ruling rates at Chicago or Minneapolis. * * * The falling off in the exports of lard, bacon and other pork products is explained by the following facts: The corn crop in Brazil for the year 1890 was almost a complete failure. The result was a tremendous decrease of the native hog products of the Southern provinces, and consequently there was an unusually large importation of these articles in 1890 and 1891."

There was little to say of trade with Cuba, because the reciprocity agreement had not gone into effect upon any terms until September 1, 1891, a date so recent as to leave very little time for a test of what it could do. Even on that date, moreover, it had not gone into full operation because the treaty arrangements, which had been entered into with other countries by Spain prior to the reciprocity negotiations, had made it necessary to adopt a so-called "transitory schedule" pending the

expiration of these agreements. It was impossible, therefore, for the arrangements to go into effect in full until July 1, 1892, a date subsequent to that of the analysis then being made by the President and Secretary of State.

Of Porto Rico Mr. Blaine could not say anything encouraging. The financial condition of that Island subsequent to the going into effect of the reciprocity agreement on the first of September, 1891, had not been such as to stimulate commercial relations. The sugar crop was a partial failure during the first year of the treaty, while the low price of sugar combining with the unfavorable sugar situation had greatly depressed affairs in the Island.

Apologies were also necessary for the trade with Santo Domingo. There had been an actual decrease during the first seven months of the life of the treaty, while during the first eight months this loss had barely been made up. This, also, was attributed by Mr. Blaine to a poor sugar crop and consequent depression.

The British colonies had not been trading with us long enough subsequent to the ratification of their treaty, which became effective only on February 1, 1892, to make it possible to state what would be the effect of the agreement. For the two months, however, no results whatever had been perceptible, our exports even falling off in the trade with Trinidad, Barbadoes, and Leeward and Windward Islands, while trade with Guiana showed but a very moderate increase.

It is now time to state our own inferences concerning the working of the reciprocity policy as applied in the McKinley Act. From what has been said it may be a fair conclusion that:

(1) Only a very slight general effect, if any, was produced by the reciprocity treaties negotiated under the McKinley Act upon our foreign trade.

(2) So far as an effect is perceptible, it is confined to a few countries, and in these countries it almost uniformly

appears that our imports increased much more than our exports.[14]

(3) So far as our exports were assisted at all, the assistance was confined to two limited groups—one containing certain cereals, and the other certain iron and steel manufactures, machinery, etc.

It would naturally be expected, therefore, that the persons who would be chiefly favorable to the reciprocity treaties of 1890 would be the producers and exporters of wheat flour and the manufacturers of machinery and of various iron and steel products. This is, in fact, the case. The most vigorous of those who applauded the reciprocity treaties were either engaged in or connected with one of these two general lines of industry. The one principally affected was that of milling, and it was from the northwestern millers that the loudest complaints concerning the abrogation of the treaties were heard. At a later date, various representatives of the millers expressed themselves most unequivocally on this subject. Speaking before the House Committee on Ways and Means in 1896, Mr. C. G. Jones, the President of the Southwestern Winter Wheat Millers' Association, put the argument very plainly:

"We want reciprocity with the nations that wish it with us, and statutory authority for prompt and effective retaliation against those that rear insurmountable barriers against our commerce. The merits of our products, our ability to place them in the markets of the world, better and cheaper than the breadstuff producers abroad do or can, and the fundamental laws of trade entitle us to all we ask. * * * The evil effects resulting from the abrogation of our reciprocity treaties with several nations have impressed upon the breadstuff exporters of the United States very forcibly the folly of abandoning a system that admits of profitable interchange of products between this and other countries in lieu of a system that has most seriously interrupted international traffic without any promise of future gain in any direction."

While, however, it is thus true that some gains were made

[14] Mr. Worthington C. Ford explains this preponderance by the fact that the imports were valued by the Bureau of Statistics in depreciated South American currency.

in our flour exporting trade in consequence of the treaties, and while it is unmistakably the case that the millers and flour exporting interests vigorously favored reciprocity in 1896, there are several matters which deserve to be borne in mind in connection with the alleged stimulus given to our flour exports under the McKinley Act. The truth is that the rapid increase in flour exports after 1890, which reached the total of 16,859,533 barrels in 1894, was only to a limited extent due to the working of the reciprocity agreements. There had been a marvelous growth in the milling industry between 1880 and 1890, during which time our export of flour had more than doubled. The total gain in flour exports to the South American countries during the reciprocity period was only 950,346 barrels, while total exports of flour in 1891 were 11,344,034 barrels and in 1894 16,859,533 barrels, a gross gain of 5,515,499 barrels. Hence not more than 17.2 per cent. of the gain was due to increased exports to the South American reciprocity countries. The fact is that the increase in our exports to these countries during the reciprocity period was hardly proportionate to the general increase in our flour exports the world over. It would seem, therefore, that the unmistakable decline in exports which appeared to follow the abrogation of the treaties was due to some cause quite apart from these agreements themselves. This cause is found in the growth of strong competition with the United States in wheat growing and flour milling. With such a country as Brazil, for example, a reciprocity treaty was practically powerless to put the American seller into a position where he could compete on favorable terms with the Argentine miller. The crop of wheat in Argentina was increasing enormously during the years subsequent to 1890, and the exports, both of wheat and of wheat flour, from that country to the other South American countries were such as to drive the American miller from the market as soon as time for the strength of the movement to show itself had been granted. Not only was the product of our northwest-

ern mills subjected to freight rates vastly higher than those paid by citizens of Argentina, but the Argentine miller, being in close connection with the consumer of the surrounding countries, was able to save a broker's commission and interest on the capital tied up in the wheat during its long journey from the United States to find a market in South America. In short, it seems enough to say that, whatever advantages seem to be due to the reciprocity treaties in our flour milling trade, they are no greater than were contemporaneously gained in trade with non-reciprocity countries, while the disadvantages apparently accruing from the later abrogation of the treaties with those countries were as clearly due to the growth of "an aggressive competition and improved local conditions of supply."

In the case of Germany and Austria-Hungary the course of our trade was very clearly explained by the minority of the Ways and Means Committee who, in the report of 1896 already referred to, made the following remark:

"In 1891 the crops of Europe were extremely poor and we exported in 1892 great quantities of wheat and flour. Later than this, a tariff war between Germany and Russia broke out, and Germany bought grain from us instead of from Russia. Then, the Argentine Republic appeared as a great exporter of wheat and Germany was one of her best customers; what she bought of Argentina, of course, diminishing her requirements from us. Finally, the tariff war with Russia was terminated and Germany resumed buying grain as usual from Russia and her purchases from us fell off rapidly."

CHAPTER VIII

THE ABANDONMENT OF RECIPROCITY

It would perhaps be hard to say whether the defeat administered to the Republicans in the autumn of 1892 was or was not really due to dissatisfaction with the existing tariff. The Congress which was elected as a successor to that which had passed the act of 1890 contained three Democrats to every Republican member. It was a surprising and crushing defeat for the ruling party—a defeat the like of which had never before been witnessed. Old and settled Republican States promptly turned into the Democratic column, and the fact that the tariff question played so commanding a part in the campaign was enough to warrant the opinion that the victory was essentially a success for revenue reform. In the face of all this powerful reaction, the feeble efforts made by the Republicans to stave off the impending Democratic victory in the Presidential campaign by their supposed attempt to broaden our markets, and to let down the protective bars through the reciprocity treaties, was an utter failure. When the voters were called upon to choose between Mr. Blaine, the strong advocate and rejuvenator of the reciprocity policy, on the one hand, and Mr. Cleveland, the antagonist of reciprocity and the strong supporter of tariff revision, on the other, the result was almost certain.

Contemporary with the victory of President Cleveland was a fresh Democratic victory in the Congressional elections, which assured predominance to the Cleveland administration in both branches of the Federal Legislature during the years 1893-1895. It was the high tide of the reform sentiment, and there was

apparently good reason to hope that tariff revision would now be given a trial which should make it possible to test the virtues of that policy as compared with those of reciprocity. Yet from the time when the McKinley Act had gone into operation there had been a steadily growing cloud of danger upon another part of the horizon. In the same year with the McKinley bill there had been passed the Sherman silver purchase act. By the terms of this law, the amount of paper money which, like the greenbacks, could be presented for gold was increased; for the Treasury notes of 1890, whose issue was ordered by the act, were necessarily redeemable either in silver or gold at the option of the holder, who always preferred gold; while the silver for whose purchase they were used could not be forcibly paid out against the will of the recipients without involving serious danger to the credit of the government. Yet this continuous increase in our gold demand obligations was a violent menace to the public credit. The McKinley bill itself aggravated the dangers of the situation because it speedily destroyed the abundant surplus which had been accumulated in the Treasury. By cutting off the tariff duties on raw sugar, by ordering a bounty paid to domestic sugar growers, and by raising many schedules so high that they were not producing revenue, the McKinley tariff effectually cut away the basis of our revenue system at the very time when the confidence of those who held obligations and securities of all sorts was impaired by the destructive Sherman silver act. President Cleveland had scarcely taken office when it was necessary for him to convene Congress in special session for the repeal of the silver act—a remedial measure which came none too soon, for his action was almost simultaneous with the beginning of a terrible period of panic and stringency, the seed of which had been planted during the last two years of the Harrison administration.

We have seen that reciprocity had not become a strictly political issue, even as late as the passage of the McKinley

Act. It now started upon a new era of its history and assumed a distinctly political aspect. This is so important a phase of the subject, as well as one which grew to such massive proportions at a later date, that it is necessary to stop for a moment and review the precise position which had been reached by the political world on the subject of reciprocity. Prior to 1884, there had been no mention of reciprocity as such in political platforms. In 1884 the Democratic party, apparently not knowing precisely where it stood, had vaguely expressed itself on the subject, merely, it would seem, to indicate its unwillingness to be left behind by the Republicans in the struggle for South American trade. The Democratic national platform adopted at Chicago, July 11, 1884,[1] contained the following curious plea:

"We favor an American continental policy based upon more intimate commercial and political relations with the fifteen sister Republics of North, Central and South America."

We have seen that in 1888 the sharpness of the contest over reciprocity had been dulled for various reasons, partly because the verdict of the Pan-American Congress was rather discouraging, partly because reciprocity with Hawaii had fallen into such bad odor. It has also been seen how Mr. Blaine, at the last moment, once more forced reciprocity upon his party in 1890, with the design of making a nominal concession by dropping something to the pursuing wolves of tariff reform. But, between 1890 and 1893, reciprocity rose into unwonted prominence. It became perfectly plain that the Republican party must offer some compensations for the iniquities of certain overgrown tariff schedules. Beginning with 1890, the era of the growth of trusts and industrial combinations had fairly set in and the Democrats were not slow to point out how it was that these combinations took refuge behind the tariff schedules and used them for the purpose of mulcting the home

[1] "National Party Platforms of United States." Compiled by J. M. H. Frederick, p. 59.

consumer by charging him higher prices than those asked of the foreigners who were beginning to take our manufactures in large quantities. This gave a new status to reciprocity, which had been so unwillingly accepted by the party in deference to the Cassandra-like warnings of Mr. Blaine, as voiced in his letter to Senator Frye and in the document addressed by him to Colonel Clapp. It became a habit with the Republicans to "point with pride" to the reciprocity clause of the McKinley Act, and the philosophy of Blaine became the philosophy of the party. This attitude had appeared during the two years previous to the Presidential election of 1892. The results of it were made clearly apparent in the national political platform adopted in the latter year, when the Republicans, meeting in convention at Minneapolis, again "pointed with pride" as follows:[2]

"We point to the success of the Republican policy of reciprocity, under which our export trade has vastly increased and new and enlarged markets have been opened for the products of our farms and workshops. We remind the people of the bitter opposition of the Democratic party to this practical business measure, and claim that, executed by a Republican administration, our present laws will eventually give us control of the trade of the world."

The Democrats were ready to meet the reciprocity issue; but they found some difficulty in reconciling the views of those who, in looking up the history of their party, had found Jefferson and others favorable to reciprocity during the earlier days of the country's history, with the views of those who feared it as a Republican innovation designed to catch votes. The plank adopted by the Democratic platform indicated this desire to placate all factions. It said:[3]

"Trade interchange on the basis of reciprocity advantage to the countries participating is a time-honored doctrine of the Democratic faith; but we denounce the sham reciprocity which juggles with the people's desires for enlarged foreign markets and freer exchanges, by pretending to establish closer trade relations for a country whose articles

[2] *Ibid.*, p. 74.

[3] *Ibid.*, p. 76.

of export are almost exclusively agricultural products, with other countries that are also agricultural, while erecting a custom house barrier of prohibitive tariff taxes against the richest countries of the world that stand ready to take our entire surplus of products and to exchange therefor commodities which are necessaries and comforts of life among our own people."

This declaration was certainly sufficiently specific, so far as concerned the reciprocity of Mr. Blaine, embodied in the McKinley Act. It seemed to be more nearly directed against the pretense under which South American reciprocity had been worked up, and against the failure to carry it farther, than against what had actually been done under the act. This, of course, was natural, for it is clear that when commercial treaties are carried far enough, and made sufficiently inclusive, they practically amount to the introduction of a minimum schedule of duties. Once let this schedule be extended to all, or nearly all, the world, and what has happened is that the tariff bars have been let down to the extent of the difference between the maximum and minimum schedules that may be provided for. In other words, tariff reform will have been accomplished. Against such a policy of reciprocity it was impossible to expect the Democrats as a party to protest. Yet, certain leading men in the party saw clearly enough, as President Cleveland had done, that there might be serious objections to reciprocity, no matter how widely extended it might be, since it might involve a change in our traditional policy regarding the most favored nation clause, and might commit us to the entanglement of our tariff system with that of one or more foreign countries. Then, too, they understood that the idea of retaliation in cases where reciprocity was not granted (which was a constituent element in the policy itself) could not be regarded as consonant with Democratic principles in any view of the case.

Upon such a platform and with such internal divergences of opinion, standing also upon the rotten revenue basis provided by the McKinley and Sherman acts, which had weakened

the standard and thus sapped the fundamental strength of our prosperity, it was necessary for the Democratic leaders to undertake the revision of the tariff and the abandonment of the reciprocity policy.

The extra session of Congress in 1893 brought to light a great number of unthought of difficulties. The party turned out to be much less under control than had been anticipated. Bad feeling was created by the bickerings of those Democrats who believed in the free coinage of silver, with those who stood upon the gold basis. The Democratic majority in the Senate, too, was narrow. But, worst of all, it appeared that the tariff poison had already done much mischief, even within the Democratic ranks. Many Senators had lost courage on the whole question of tariff reform, while others were obliged to consult the interests of their constituents regarding particular duties and they stood ready to sell the cause of general reform to their enemies in exchange for "consideration" where their own interests were at stake. President Cleveland made an effort to consolidate his forces and to present an unbroken front to his opponents. In this he succeeded but poorly, as the event proved. Discipline had been produced in the House, and the membership of Committees had been suitably arranged with a view to beginning work in December, 1893, but little impression had been made upon the Senate. When Congress assembled, the first blow in the tariff reform campaign was struck by Hon. William L. Wilson, then Chairman of the Committee on Ways and Means, who introduced a tariff bill on the 19th of December from his committee.

So much political prejudice has been concentrated about the action taken in the Wilson bill, in its alleged abrogation of the reciprocity arrangements negotiated under the McKinley Act, that a sort of legend has grown up based on misleading assertions and without foundation in fact. It must be perfectly plain to any one that, if the Wilson bill, as originally introduced, took no direct action looking toward the abrogation of reci-

procity, and, on the other hand, if it made no changes in duties which would necessarily result in an alteration of the reciprocity treaties from our side, it made no change in the policy of reciprocity as then existing.

It is important to observe, therefore, with great care, what it was that the Wilson bill actually did; first, with reference to reciprocity, and second, with reference to the commodities upon which duties had been remitted by the reciprocity clause of the McKinley Act.

It had been the original intention of the Ways and Means Committee in reporting the Wilson bill to repeal the reciprocity provisions of the McKinley Act. The attitude adopted by the framers of the bill toward reciprocity as a policy cannot be better stated than in the words of the report of the Committee on Ways and Means, to whom that bill was referred.

This report expressed the intent of the measure, as follows:

"It is the purpose of the present bill to repeal *in toto* section three of the tariff act of October 1, 1890, commonly but most erroneously called its reciprocity provision. * * * This section has brought no appreciable advantage to American exporters; it is not in intention or effect a provision for reciprocity, but for retaliation. It inflicts penalties upon the American people by making them pay higher prices for these articles if the fiscal necessities of other nations compel them to levy duties upon the products of the United States; which, in the opinion of the President, are reciprocally unequal and unreasonable. * * *

"Moreover, we do not believe that Congress can rightly vest in the President of the United States any authority or power to impose or release taxes on our people by proclamation or otherwise, or to suspend or dispense with the operation of a law of Congress."[1]

It thus appears that the grounds on which the Wilson bill undertook to abrogate the provision for McKinley reciprocity were four in number: first, that it was not properly reciprocity, but a retaliatory provision; second, that it might easily result in raising the prices of the reciprocity commodities to the

[1] House Report, No. 234, pp. 11-12, 53d Congress, 2d session.

American consumer in those cases where foreign countries had declined our offered reductions of duty in exchange for corresponding reduction of their taxes on our exports, because it increased the duties on commodities coming from those countries; third, the international complications necessarily resulting from ill feeling caused by the interpretation of the most favored nation clause; and, fourth, a constitutional scruple as to the power of the President to impose or release taxes by proclamation without the specific consent of Congress.[5]

In the form in which originally presented, it was, as just shown, supposed that the measure would accomplish the repeal of the reciprocity clause *ipso facto*. Mr. Wilson, the father of the bill, however, in order to gain complete assurance on this point, introduced in the House, on January 25, 1894, when the bill had already been under discussion for some time, the following amendment:

"That section 56 be amended by inserting after the figures 56, 'That section three of an Act approved October 1, 1890, entitled 'An

---

[5] The history of the Wilson Bill may be summarily reviewed as follows:

Mr. Wilson from the Committee on Ways and Means, on December 19, 1893, reported a bill (H. R. 4864) entitled "A bill to reduce taxation, to provide revenue for the Government, and for other purposes." (*Congressional Record*, 53d Congress, 2d session, Vol. 26, Part I., p. 415.)

On February 1, 1894, the bill was amended and passed the House, the vote being 204 Yeas and 140 Nays—not voting 8. (*Ibid.*, p. 1796.)

On February 2, the bill was laid before the Senate and referred to the Finance Committee. p. 1804.

On March 20, it was referred back to the Senate by the Committee on Finance, with amendments. (p. 3126.)

It was debated in the Senate from April 2 to July 3. (pp. 3389-7136.)

Amended and passed the Senate July 3. (p. 7136.)

On July 6, the bill with the Senate amendments was laid before the House, and referred to the Committee on Ways and Means. (p. 7161.)

On July 7, the Ways and Means Committee reported back the bill with the recommendation that a motion be passed of non-concurrence in the Senate amendments and a conference appointed. This was done. (pp. 7188-95.)

On July 7, Conferees on the part of the House were appointed as follows: Mr. Wilson, W. Va., Mr. McMillin, Tex., Mr. Turner, Ga., Mr. Montgomery, Kentucky, Mr. Reed, Maine, Mr. Burrows, Michigan, and Mr. Payne, New York. (p. 7196.) Conferees on the part of the Senate were appointed on July 3 as follows: Mr. Voorhees, Mr. Harris, Mr. Vest, Mr. Jones of Arkansas, Mr. Sherman, Mr. Allison, and Mr. Aldrich. (p. 7136.)

The report of the Conference Committee was rejected by the House, and on July 19, invited the Senate to a second conference, appointing the same conferees as before (p. 7714): the Senate insisted on its conferees and on July 27 reappointed its conferees to meet those of the House. (p. 7930.)

On August 13, the House on motion of Mr. Wilson receded from its disagreement to the Senate amendments and the bill was passed. (p. 8482.)

Bill became a law without the approval of the President on August 28, 1894. (p. 8666.)

Act to reduce the revenue, to equalize duties on imports and for other purposes' is hereby repealed.'"[6]

This amendment passed the House by a vote of 126 to 89.[7] In speaking of the amendment, Mr. Wilson himself remarked:

"The effect of that is to repeal the language of section three of the McKinley bill which authorizes retaliatory proclamations by the President. * * * It is the understanding of the Committee that the bill as originally presented effects that repeal; but in order that there may be no question about it, they put in this provision directly repealing that section."[8]

In the Senate, the amendment already referred to was still further amended. On June 29 Senator Vest called up an amendment previously proposed by him and it was agreed to. This amendment consisted of the following words, which were to be added to those already inserted by Mr. Wilson himself, while the bill was in the House:

" * * * but nothing herein contained shall be held to abrogate or in any way affect such reciprocal commercial arrangements as have been heretofore made and now exist between the United States and foreign countries, except where such arrangements are inconsistent with the provisions of this act."[9]

This addition was inserted by the Senate, acting as a Committee of the whole, and then went over for further consideration, being finally brought up in the Senate on July 3d, and concurred in by that body.[10] As it finally made its appearance before the world, the reciprocity provisions of the Wilson Act were contained in a section numbered 71, and which, as will be seen from what has already been said, read as follows:

"That section three of an act approved October first, eighteen hundred and ninety, entitled 'An Act to reduce the revenue and equalize duties on imports, and for other purposes,' is hereby repealed; but nothing herein contained shall be held to abrogate, or in any way affect, such reciprocal commercial arrangements as have been heretofore made and now exist between the United States and foreign

[6] *Congressional Record*, 53d Congress, 2d session, p. 1417.
[7] *Ibid.*, p. 1425.
[8] *Ibid.*, p. 1417.
[9] *Ibid.*, pp. 6985-7000.
[10] *Ibid.*, p. 7110.

countries, except where such arrangements are inconsistent with the provisions of this act."[11]

It thus appears that the Wilson bill specifically repudiated the idea of making any changes in our existing reciprocity treaties as such. It did not, of course, say anything of the effect upon such treaties which would be produced by changes in the duties. Yet, it must have been evident that the treaties would continue in force unless they were altered by action on our part; and that even when so altered by the changes in our tariff, which naturally superseded the arrangements made in the treaties, they could be tacitly continued upon the new basis, if the contracting parties desired such continuance.

The leading ideas of the Wilson bill were:

(1) Free raw materials, and

(2) Reduction of duties on commodities of common use, so far as was possible.

Pursuant thereto, the Wilson bill naturally retained hides upon the free list, in addition to numerous other commodities not provided for by the McKinley bill. With an equally good grace, it also provided for free coffee and tea. What it did not provide for was free raw sugar. The bill restored the tariff on raw sugar, and by so doing it took away the most important of the commodities which had been used as a basis for the negotiation of reciprocity treaties. It should be stated, therefore, in speaking of the effect of the Wilson bill as finally passed upon reciprocity, not that it destroyed reciprocity, as established by the McKinley Act, but that the influence of the Senate made a change in duties which was of such importance as to throw out of joint the previous treaty agreements. It was not the Wilson bill, but the Senate amendments to the bill, which prevented free sugar.

The fact that the effect of the Wilson bill upon reciprocity was really due to its alteration of the sugar schedule, makes it of primary importance, before discussing the debates, to note

11 "United States Statutes at Large," Vol. 28, 53d Congress, 1893-95, p. 569.

precisely what was done with the sugar schedule by the measure as first introduced and how radically it was later altered. The act subjected sugar to a duty, although it made special exception concerning the importations of that product coming from the Hawaiian Islands. The new provisions were contained in paragraph 182 under schedule E in section 1, and were as follows:

"182. That so much of the act entitled 'An Act to reduce revenue equalize duties, and for other purposes," approved October first, eighteen hundred and ninety, as provides for and authorizes the issue of licenses to produce sugar, and for the payment of a bounty to the producers of sugar from beets, sorghum, or sugar-cane, grown in the United States, or from maple-sap produced within the United States, be, and the same is hereby repealed, and hereafter it shall be unlawful to issue any license to produce sugar or to pay any bounty for the production of sugar of any kind under the said Act.

"182½. There shall be levied, collected and paid on all sugars and on all tank bottoms, sirups of cane juice or of beet juice, melada, concentrated melada, concrete and concentrated molasses, a duty of forty per centum ad valorem, and upon all sugars above number sixteen Dutch standard in color and upon all sugars which have been discolored there shall be levied, collected and paid a duty of one-eighth of one cent per pound in addition to the said duty of forty per centum ad valorem; and all sugars, tank bottoms, sirups of cane juice or of beet juice, melada, concentrated melada, concrete or concentrated molasses, which are imported from or are the product of any country which at the time the same was exported therefrom pays, directly or indirectly, a bounty on the export thereof, shall pay a duty of one-tenth of one cent per pound in addition to the foregoing rates: *Provided,* That the importer of sugar produced in a foreign country, the government of which grants such direct or indirect bounties, may be relieved from this additional duty under such regulations as the Secretary of the Treasury may prescribe, in case said importer produces a certificate of said government that no indirect bounty has been received upon said sugar in excess of the tax collected upon the beet or cane from which it was produced, and that no direct bounty has been or shall be paid: *Provided further,* That nothing herein contained shall be so construed as to abrogate or in any manner impair or affect the provisions of the treaty of commercial reciprocity concluded between the United States and the King of the Hawaiian Islands on the thirtieth day of January,

eighteen hundred and seventy-five, or the provisions of any Act of Congress heretofore passed for the execution of the same. That there shall be levied, collected and paid on molasses, testing above forty degrees and not above fifty-six degrees polariscope, a duty of two cents per gallon; if testing above fifty-six degrees polariscope, a duty of four cents per gallon."

How important the sugar question seemed to the man who originally fathered the bill, may be seen from some remarks offered by him in the House of Representatives after the measure had been returned by the Senate and was under debate. Mr. Wilson then said:

"But the great difficulty in the pathway of an agreement has been the proper adjustment of the sugar schedule. This House voted for free sugar, raw and refined. It voted down the proposal of the Committee on Ways and Means for a gradual repeal of the bounty and a reduction by more than one-half of the duty upon refined sugar. The Senate has reintroduced into the proposed tariff bill a sugar schedule, which, whether truly or not, has been accepted by the country, by the press of the country, by the people of the country, as unduly favorable to the great sugar trust. It proposes a duty of forty per cent. ad valorem on all grades of sugar, a differential of one-eighth of a cent upon refined sugar in addition to a differential of one-tenth of a cent on sugar imported from countries that pay an export bounty upon their sugar." [12]

Mr. Wilson was correct in this brief, and only suggestive, indication of disappointment with the sugar schedule. The ultimate result was not at all what had been intended. This can be understood by reviewing the history of the schedule.

In the bill as originally reported by the Committee on Ways and Means in the House, a duty of a quarter of a cent per pound had been imposed upon refined sugars while the raw product was admitted free. The bounty on sugar, allowed in the McKinley Act, was to be reduced, declining at the rate of one-eighth of a cent per pound per year. This was to continue from July 1, 1895 to July 1, 1902, at which time the payment of all sugar bounties was to terminate.

[12] *Congressional Record*, Vol. 26, part 8, 53d Congress, 2d session, p. 7711.

To this provision an amendment was offered and passed in the House, whereby both refined and raw sugar were made free and the bounty to be paid to domestic sugar producers was abolished. In the Senate a sugar schedule made its appearance with an ad valorem duty of forty per cent. imposed upon all sugar, and a differential duty upon refined and upon sugar imported from countries paying export bounties. It was, however, when the measure reached the Conference Committee that its form was finally fixed, as already described. Although the House conferees had at first declined to accept the Senate amendments, they finally modified this decision and the sugar schedule of the Senate went into effect substantially as it stood.

Thus it appears that the Wilson bill in its original form had sought to do as much as the McKinley Act, if not more, for the domestic consumer of sugar. It had also aimed at a reduction of the bounty upon domestic raw sugar, thus adhering closely to the doctrine of free raw materials, and doing its utmost for our consuming classes, at the same time providing the manufacturers of refined sugar with cheap materials upon which to work, and giving to the foreigner as great inducements for trade with this country as could be gained by the offer of an unrestricted market in which to sell his commodity. The fact that the bill, as finally passed, contained radical alterations, which tended to give it an entirely different drift from that which its framer had intended with regard to sugar, must be attributed to the influence of the sugar trust working through certain friends in the Senate. As it finally turned out, the sugar provisions of the act were distinctly less likely than those of the McKinley Act to promote trade with foreign countries, and this had come about in the very attempt to continue the generous policy regarding sugar contained in the McKinley Act. The Wilson bill had gone even farther than that measure, for it had sought to continue free trade in sugar without exacting concessions in return.[13]

[13] Turning to the policy of the Wilson bill, with reference to the other commo-

It is now possible to review cursorily the sugar debate in the light of what has just been said. We have seen that under the act of 1890 raw sugar had been made free, a bounty given to the domestic producer of it, and the protective duty retained, so far as concerned the refined product. The bounty payments and the loss of the sugar revenues had proved disastrous to the Treasury, as has already been pointed out. We really stood in need of the revenue which might be derived from the fair taxation of a commodity like sugar. The bounty was beyond our means to afford, and was, besides, entirely opposed to every tariff reform principle. That it must go was a certainty.

That its abolition should be accompanied either by a restoration of protection on raw sugar, or else a reduction of the duties on refined, was also necessarily to be anticipated. Certainly, the retention of differential protection in favor of the refining trust could hardly have been apologized for by a Democratic Congress. The measure which would meet all difficulties, do justice to the domestic grower, the consumer and the refiner, and yet permit the continuance of the reciprocity treaties on their old basis, was that which was suggested by the Ways and Means Committee. It was a "gradual repeal of the bounty and a reduction of more than one-half of the duty upon refined sugar." Had this proposal been accepted, the Treasury would have been aided, for the reduction of the duty upon refined sugar would have cut that duty from a prohibitive to a revenue basis and would have stimulated

---

dities enumerated in the McKinley tariff, it appears that by section 448 coffee was placed upon the free list,[14] while by sections 505-507 "hides and skins, raw and uncured, whether dry, salted or pickled; hide cuttings, raw, with and without hair, and all other glue stock; hide rope" were all placed on the free list.[15] By section 648 of the act "tea and tea plants" [16] were also placed on the free list. Thus the Wilson bill offered to all countries, trading with us, and to the consumer, the same inducements as those held out by the McKinley tariff, with the sole exception of sugar—an exception which has already been explained.

[14] "Statutes at Large," Chap. 349, Vol. 28, 53d Congress, p. 539.

[15] *Ibid.*, p. 541.

[16] *Ibid.*, p. 545.

the imports of the refined product. By gradually repealing the bounty, the domestic grower of raw sugar would have been enabled to make provision for the future, during the time allowed him. The consumer would have enjoyed cheaper sugar for consumption. The admission of raw sugar free would have left us exactly where we stood with reference to the foreign countries affected by reciprocity treaties. All of these considerations had been noted by the Ways and Means Committee, and had been taken into account in making up their proposal. Yet for several reasons this scheme was unsatisfactory to the members of the House of Representatives. The House which, as we have seen, voted for free sugar, both raw and refined, did so partly under the influence of tariff reformers who believed in carrying their principles to the extreme length regardless of consequences, and partly under the influence of designing members who desired, by making the provision thorough, to call forth a tempest of opposition which would sweep the new section before it and probably restore in the Senate a sugar schedule, reimposing the duties behind which the trust had been hiding, in their old form.

The wisdom of entering upon reform in a conservative and practicable way did not appeal strongly to more than a limited number of Representatives. The prominence given to the sugar trust in contemporary discussion had frightened many men, while the influence it exerted in Congress had led others to feel that a determined assault upon it at all costs was the duty of the Democratic party. When the proposals of the Ways and Means Committee made their appearance in the House of Representatives, they met with vigorous opposition from many honest men. Some members made it a subject of reproach to the authors of the bill that they had not dealt more hardly with the trust; while in the case of sugar, where a trust was manifestly attacked by the reduction of duty, the complaint was made that enough injury had no

been done. Thus Representative Johnson, speaking on the bill, the 10th of January (1894), remarked:

"One trust this bill will hurt, but the exception proves the rule. For this is a trust so outrageous, so clearly created by a duty levied for the purpose of enabling it to pocket millions, that the Committee could hardly ignore it—that is, the sugar trust. For its special benefit the McKinley bill, which properly made raw sugar free of duty, imposed a tax of half a cent a pound on refined sugar—a tax that yields to the government some $80,000 a year, and to the Havemeyers and Spreckels over $20,000,000. What does the Committee do? Abolish this tax? Deprive the sugar trust of $20,000,000 a year these hard times? No, it cuts the tax in half and leaves the trust only the power to tax the people $10,000,000. * * *

"The only reason I have heard given why the bill reported by the Committee should not have made refined sugar free is that the whole force and power of the sugar trust would then have been exerted against the bill. And this fear of irritating the trusts seems to run through the bill. I can see no trust that it has struck at, or at all injured, except this sugar trust." [17]

Representative Warner, of New York, also, after criticising sundry other provisions of the Wilson bill, spoke in somewhat the same strain:

"In its present shape the Wilson bill reimposes the present duty on oils, the product of any country which levies a tariff upon American petroleum. * * * Strangely enough, sir, the sugar trust has been aided in the same way—given their raw materials free. * * * A Democratic Congress has compromised with the enemy, and offers them for the future half the blackmail that they have heretofore been permitted to levy.[18]

So, too, Mr. Snodgrass remarked in the course of the same debate:

"Another objection I have to the bill is that instead of repealing the bounty on sugar at once and absolutely, it proposes to do it gradually, so that it will be several years before that illegal and unconstitutional feature of the McKinley Act is abolished." [19]

Representative Simpson was more specific in his charges:

"The forty-nine refineries—the protected sugar trust"—he main-

[17] *Ibid.*, p. 640. [18] *Ibid.*, pp. 659-660. [19] *Ibid.*, p. 661.

tained, "sold to the people, in 1890, 3,156,996 pounds. They collected one and one half cents per pound protection to pay the difference in wages, or $47,354,940. The total wages paid for refining this sugar were $4,419,094, leaving to the sugar trust the sum of $42,935,846 profit in addition to its pauper labor." [20]

The character of the opposition to the bill, from the standpoint of the tariff reformer, has thus been sufficiently indicated. Certainly, the measure needed all the support it could get from those who would naturally have been expected to be its friends. Yet, even among such persons—men who belonged to the Democratic party and professed to be tariff reformers—the idea of free raw sugar encountered many enemies. These, of course, came from the South, where sugar growing had developed into an industry of no inconsiderable importance. Confronted with the continuation of free raw sugar and the progressive diminution of the bounty paid the domestic grower, Louisiana planters also fancied themselves menaced in some measure by the diminution of the duty on refined sugar, which, according to some, would render it necessary for the domestic refiner to economize very largely on his cost of production, in order to compete with foreign refiners, and would prevent the grower from finding as good a market for his output as formerly. The fears of these men and the factious opposition they displayed toward the policy of tariff reform, a policy supposed to be peculiarly characteristic of their own party, were in fact one of the strong forces which tended to render the success of the sugar provisions, either as proposed by the Ways and Means Committee, or as voted by the House, utterly impossible. A curiously frank statement of the attitude of the Louisiana planter was made by Representative Blanchard on the 31st of January (1894):

"The Representatives upon this floor of the sugar producers of Louisiana, myself included, protested against the bounty, not believing in its permanency * * * [they] then [1890] predicted just what has come to pass; that putting sugar upon the free list, and giving in

[20] *Ibid.*, p. 774.

its stead a bounty, would result in a few years in the bounty being abolished, while the sugar would be continued on the free list. * * * I will vote to pass the bill here and send it to the Senate, trusting that body will amend it by placing a duty on sugar. I here and now protest against the bill in the name of the people of Louisiana, whose great industry of sugar-making, worth $25,000,000 a year and forming the basis of an interstate commerce of $50,000,000 a year, is disastrously affected by it. I protest against the policy which puts sugar on the free list, which denies to the exhausted treasury the revenue which a duty upon that article would bring, and which prostrates a great industry in my State."[21] * * *

In the Senate the same influences were at work as had prevailed in the House. The measure had passed the House on February 1, and had gone to the Senate on the following day, being there referred to the Finance Committee. It was not released from that Committee until the 20th of the following March, and did not come up for debate until the 2d of April. When it finally made its appearance, its form had been greatly altered, but there was no portion of the measure which had suffered a more radical transformation than had the sugar section.

In the place of either the provisions originally suggested by the House Committee on Ways and Means, or those passed by the House, there appeared, as seen in an earlier part of this chapter, a full-fledged sugar schedule. Specific duties were imposed on all sugar at the rate of one cent a pound and an extra duty of one-eighth of a cent a pound on refined sugar was added. Why these changes were made it would perhaps be out of place here to discuss at length. It is enough to say that as regards the imposition of the duty on refined sugar, that was as certain to make its appearance in the Senate as the government was to continue its existence. It would have been an absurdity to suppose that the grasp of so powerful a trust would be shaken off by Congress. As for the tariff on the raw product, that was supposed to be necessary for two

[21] *Ibid.*, Appendix, Part I., p. 422.

reasons—the requirements of the revenue and the need of gaining the votes of the Louisiana Senators. Of course, the trust would have preferred to have raw sugar come in free, as under the McKinley Act, but its influence was not sufficiently strong to conquer quite all considerations of finance and of honesty in politics. The trust, however, was by no means satisfied with the gains it had made in the Finance Committee. Before the bill came to a vote, enough further progress had been made by the refiners for them to secure the introduction of a new schedule. The duty on raw sugar, instead of being specific and simple, at the rate of about one cent a pound, became a forty per cent. ad valorem duty, while the eighth of a cent a pound on refined sugar was also retained. Furthermore, a retaliatory duty of one-tenth of a cent per pound was imposed on refined sugar coming from countries which paid an export bounty. This was the shape in which the sugar schedule finally got through the Senate, was accepted by the House, and passed into law. Not only did the trust profit by the retaliatory duty of one-tenth of a cent per pound, over and above what the Finance Committee had already given it, but it was a large gainer by the change from specific to ad valorem rates in the form of the duty. Putting the tariff at forty per cent. ad valorem meant that sugar of a low degree of fineness and purity would come in subject to less burden than sugar of a high degree of purity, and that, therefore, more of the process of refining was subjected to the protection of the duties surrounding the refined product.

The debate in the upper chamber developed the same tendencies which had been displayed in the House, together with several others of a more distinctly undesirable character. Those ardent tariff reformers who in the House had found themselves dissatisfied with the original sugar provision, because it was not sufficiently severe upon the trust, were few in number in the Senate. Their place was taken by men who were outspoken in their admiration and support of the

trust itself, and who did not hesitate to state their allegiance to its interests. One of the frankest utterances on the subject came from the lips of Senator Quay:

"The sugar trust," said he, "thus far, at least, has proved a benefit and not a detriment to the American consumer. And the fact of consolidation is no reason why it should be stricken down. * * * If our object is to preserve this industry to our own country and our own laborers, protection should at least go a little beyond the advantage given to the foreign refiner by any export bounty whereby the actual cost of the article is artifically decreased, added to the further advantage of much lower-priced labor and lower-cost machinery and factories used in producing the refined product abroad. That all these advantages to the foreign refiner are together equivalent to the present protection of one-half to three-fifths cents per pound is shown by the continued importations of refined sugar from Europe since the McKinley tariff reduced the protection to this limit. * * *"

Elsewhere also Mr. Quay reiterated that:

"The present protection of one-half to six-tenths of a cent per pound is all needed to offset the one-fifth cent to one-fourth cent per pound bounty, and the lower price labor and lower cost of refineries and machinery and cheaper money in that country; about equivalent to another one-fourth cent per pound, the conditions of production in Europe to-day would, if any protection were removed, open our ports to such a supply of foreign sugars as would soon transfer the great refining industry of this country to our European competitors, * * * and also transfer to Europe the large exporting business to tropical countries of coal, machinery, railroad supplies, and provisions, which we have absorbed in consequence of being the chief buyer of their sugar, and which will invariably follow and accompany their raw sugar wherever sold." [22]

Senator Quay, however, reached the limit of the advocate when he stated that:

"The only serious argument against the trust is its large accumulation of profits, and, as I have shown in my introductory remarks, it is necessary that a great industry of this country should have a surplus of profit in view of the continuously threatened attack of the Democratic party." [23]

Others, while not so bold in their apologies for the combina-

[22] *Ibid.*, Appendix, p. 783.

[23] *Ibid.*, Appendix, p. 804.

tion, indicated very clearly the existence of a belief that the trust was entitled to the maintenance of its "vested right" in differential protection.

Moreover, the Louisiana planting interest developed tremendous strength, practically holding, on account of the narrow Democratic majority in the Senate, the key to the situation. Although it was reported that they had sold out to the refining interests, in return for their support in behalf of a duty on sugar, loud outcries were often heard from the Louisianians and those associated with them, concerning the grinding character of the refining monopoly, but all action was subordinate to the sole determination to push a tariff on raw sugar through the Senate. It was not unnatural that the Louisiana interests and their allies should try to make out the vicious character of the refining trust, while at the same time they were contending that the tariff advantages it enjoyed were nothing extraordinary.

A certain number of men were even found who apologized for the existence of the bounty, maintaining that it was the best way to give such protection to the domestic grower as might be needed. Thus Senator Peffer argued, on the 25th of April, that:

"Our home production is now about one pound in eleven of our consumption [of sugar], so that the whole tariff tax comes upon us. * * * If we are to protect the sugar industry at all we can do it much cheaper by bounty than by duty, and hence in order that we might procure free sugar, knowing that it was impracticable to remove the duty unless we had a bounty for a few years, I favored the placing of a bounty upon domestic sugar for ten years." [24]

Sufficient has been said to indicate the character of the different parties in the Senate which had joined to defeat the sugar provisions as they came from the House. No analysis of the debates on the floor can ever tell the real truth concerning the fierce struggle which went on in the effort to

[24] *Ibid.*, Appendix, pp. 683-4.

reconcile the wishes of the trust with some outward show of decency and propriety. As soon as the bargain had been struck, and contracts had been made for the required number of votes, the debates came to a close. The party of reform was stupified, almost stunned by the astonishing blow it had received.

It is important to note, for the sake of the main discussion of this chapter, that it was in the action of the Senate, as just outlined, that the real defeat of reciprocity occurred, since it was here that the duty was reimposed on raw sugar, contrary to any suggestions originating in the lower chamber; and it was in this manner that ground for breaking the reciprocity treaties was furnished to the foreign countries with which they had been negotiated. The story of the sugar schedule in the Senate was very pointedly put, after the measure had been sent back to the House of Representatives, by Mr. Hall, of Minnesota, August 13, 1894.

Mr. Hall said:

"In its [the Wilson bill's] path also stood the great sugar trust, with its accumulated millions, and its army of trained and conscienceless lobbyists. Senator Sherman is my authority for the statement that this trust came into existence upon the enactment of the McKinley law. Free raw sugar, encouraged by a heavy bounty, and a tariff of six-tenths of a cent per pound upon refined sugar, gave to the trust its life, its opportunities, and its power. By closing our markets to the competing refiners of other nations it compelled our people to purchase of the home combination at prices limited only by the wants of the consumers and the cupidity of the seller. * * * So the sugar trust, side by side with the Democratic protectionist and the Republican obstructionist, lay in ambush to assassinate the 'Star-eyed Goddess of Reform.'

"The story of the progress of this bill through the Senate is the most remarkable chapter in the history of American legislation. I speak not of the suspicions which are abroad among men. I do not wish to affirm, I have not the temerity to deny, the unwholesome rumors which have floated to us from the other end of this Capitol. I speak only of those events which are well known and indisputable.

"Days passed into weeks, weeks ripened into months, the business

of the country grew stagnant, factories lay idle, men stood unemployed, our industries were paralyzed—all awaiting a settlement of the tariff question. Yet nothing was done. Legislation was held up. Some mighty, but invisible power blocked all progress. Parliamentary obstruction played its hand in the game. A distinguished Senator, with a Naval record, led the skirmish line of the blockaders. The successors of Webster and Sumner stood waist-deep in garrulous delay. The prolonged eloquence of Pennsylvania's favorite son and master fell in a muffled monotone upon the slumbering pages and agonized clerks of that august body. * * * Suddenly, in the twinkling of an eye, all was changed. The filibustering stopped, the talkers grew silent, the ten-days' speech came to an end, the kickers ceased to kick, the obstructionists ceased to obstruct, * * * when it was announced that the trust was satisfied with the sugar schedule." [25]

Having considered the history of the sugar schedule in Congress, we may now review the action and debates concerning reciprocity as such. Owing to the radical transformation wrought in the sugar schedule, the debates on reciprocity naturally assumed a different color in the House from that which was given to them after the bill had entered the Senate, and after it had become apparent that a sugar schedule was to be inserted. There was no time up to the moment when the Wilson bill left the House of Representatives when complaint could have been made against it, on the ground that it actually destroyed the reciprocity treaties. As we have seen, it retained coffee, tea and hides on the free list, and added many other commodities, including wool, thus carrying still further the notion of opening markets and encouraging trade with the South American countries. It also retained, continuously, raw sugar on the free list, so that there was not an instant when the real foundations of existing reciprocity were jeopardized by the bill.

After the measure had entered the Senate and it became apparent either that the recommendations of the Finance Committee, reimposing a duty on raw sugar or some similar change, would be adopted, the new aspect of the situation

[25] *Ibid.*, Appendix, p. 1145.

had the effect of a direct assault, not upon reciprocity as such, but upon the main condition which rendered its working practically effective in our intercourse with foreign countries. It was this outcome, therefore, that gave a very different character to the reciprocity debate in the Senate from that which it assumed in the House of Representatives.

The House debate, of course, opened with an effort on the part of Republicans to maintain the claim that reciprocity, as laid down in the McKinley Act, had been a great boon to the United States, and that it was in danger of being sacrificed by the unscrupulous men who were presuming to tamper with a God-given tariff. Thus Mr. Mahon remarked, shortly after the bill was presented to the House:

"One of the greatest achievements of the Republican party was accomplished during the closing days of the 51st Congress, by the adoption of Section 3 of the McKinley tariff law. I refer to the reciprocity clause. The measure now under consideration will repeal the same, and with its repeal all of the advantages secured in the trade markets of the countries we have made treaties with will be destroyed. * * * From all the facts obtainable as to the benefits derived from this measure in the short time it has been in existence, I believe it to be the best law in relation to our trade and commerce ever enacted by the American Congress." [26]

On the other hand, a number of men boldly expressed themselves in opposition to the whole idea of McKinley reciprocity. Their antagonism was largely based upon the claim that it was a sham, professing to do what it actually did not do, and that by pretending to aid the American farmer while doing him no good, and extending its benefits only to the manufacturer, if to any one, it amounted to nothing more than a hypocritical pretense.

To this indictment it was, of course, difficult to reply with success. It was usually met by general and vague talk about the struggle for foreign markets and the need of promoting the interests abroad of the American producer (whether farmer

[26] *Ibid.*, p. 681.

or manufacturer was usually not stated). Of this kind of haziness Representative McCleary's argument was a fair example. Mr. McCleary came from Minnesota and numbered among his constituents a good many of the wheat-raisers and flour-millers who, as we have seen, had largely profited by McKinley reciprocity. Mr. McCleary was, therefore, able to make some argument concerning the benefits derived by this class from the operation of the "reciprocity principle." Speaking on the 31st of January, during the early debate on the measure, he said:

"In our struggle for foreign markets, Mr. Chairman, we must bear in mind that nearly all the great nations of the world have adopted the protective system, and we must keep ourselves in a position to grant favors if we would receive any. * * * Protection and reciprocity are complementary terms. They are two forces whose resultant is commercial triumph. * * * We recognize the fact that this free use of our markets is an exceedingly valuable consideration to the countries exporting these articles, and the act [McKinley] wisely provides a way whereby we may secure proper reciprocal advantages.

"This illustrates very clearly one difference between free trade and reciprocity. The former gives away items of great value without requiring anything in return; the latter demands a *quid pro quo*. * * *

"Our trade with Cuba increased, as shown by the Statistical Abstract, from an average of less than $12,000,000 annually for many years to nearly $18,000,000 in 1892, and over $24,000,000 in 1893. By contrast, the exports of Great Britain to Cuba fell from over fourteen and a half million dollars in 1890 to less than twelve and a half millions in 1891, and then to $8,390,855 in 1892. During this time the exports from France to Cuba fell from nearly 12,000,000 francs in 1890 to less than 5,000,000 in 1892. That is, while the sales of Great Britain to Cuba fell off over forty per cent., and those of France nearly sixty per cent., ours increased more than 100 per cent. In other words, sir, by means of our reciprocity treaty we have been acquiring the Cuban market."[27]

In the course of much that was aside from the real issue, Mr. McCleary made one point with some degree of force.

[27] *Ibid.*, Appendix, Part II., p. 825.

This was found in the claim that the McKinley bill gave away tariff concessions without getting anything in exchange. His argument was thus a plea for the retaliatory principle which had been followed out by European countries to an increasing extent ever since 1890. The fact that the Wilson bill contained no tariff threat was, indeed, one of the main reasons for the assaults of those who believed, or pretended to believe, that the framers of the act of 1894 were trying to destroy the reciprocity idea. Evidently, if the Wilson bill made no changes in the duties charged upon foreign products, but retained on the free list exactly the same commodities that had been placed there by the McKinley Act, there was no reason why our imports from those countries should be affected, nor was there any probability that the concessions granted to us by foreign countries would be interfered with. The main argument against the Wilson bill from the standpoint of reciprocity, in fact, narrowed itself in the House practically to a complaint against the absence of the retaliatory tariff provision. Mr. Payne, of New York, put this claim very pointedly, August 13th:

"The Republican party, when it made sugar free in 1890, determined to get something for the surrender of the duty. We enacted a duty on coffee, tea, sugar, hides and rubber, against those countries which did not give us free trade relations. With the aid of this clause we increased the trade with the South American Republic as well as with Cuba, and opened the ports of France, and Germany and Spain to the American hog.

"You surrender the duty on wool without any compensation whatever. You might extend your trade in the wool-producing countries of South America, and Australia, and New Zealand, by imposing a duty on their wool until they gave us fair trade relations; but you go farther than this and strike down all the reciprocal trade relations established by the act of 1890." [28]

This idea did full duty in the course of the debate. The

[28] *Ibid.*, Appendix, Part II., p. 1207.

obvious reply to it was an effort to show that the working of reciprocity under the McKinley Act had not been satisfactory. That claim was urged upon three different grounds:

(1) That the reciprocity of the McKinley Act conferred an unconstitutional power upon the President—a claim which, as we have already seen,[29] had been denied by the Supreme Court.

(2) That it was bad policy to recognize the principle of retaliation, since by so doing we should tacitly countenance the action of other countries in retaliating against our tariff duties.

(3) That, in its actual operation, reciprocity had proved a commercial delusion.

Of course, it is impossible in practice to reduce the debate to a clear and distinct controversy upon any of these points although they were the central ideas advanced in the course of the argument. The claims put forward concerning the unconstitutionality of the act were merely the old familiar arguments that had been going the rounds in Congress for more than forty years on every occasion when a reciprocity treaty had made its appearance. The contention that foreign countries would, through our retaliation, gain some warrant for similar action of their own, was supported by discussions of contemporary European legislation. Thus, for example, Mr. Tawney quoted at great length from English newspaper articles, giving statistics concerning our trade relations with South America, and further citing a speech of Lord Salisbury to the effect that a serious decline in British exports to South America had been produced by McKinley reciprocity, and that British retaliation was being agitated.[30]

But the most controverted question was that which had already been raised by Mr. McCleary—namely, who was benefited by the reciprocity policy, and to what extent?

Some Democrats conceded that our trade with South

---

[29] See p. 208 *ante*.

[30] *Ibid.*, p. 1419.

America had actually been improved under reciprocity. According to Mr. Turner, of Georgia:

"It is true that some of the countries to which this provision applies have given us increased traffic, but that increase is not due to any such commercial agreements, so much as it is to the fact that the law containing the reciprocity provision puts upon the free list the articles which they chiefly produce and unfetters our commerce with those countries." [31]

Others contended that there had been no such gains. According to Mr. Brookshire (Independent):

"The fact is * * * that statistics show that of our exports to Great Britain and Ireland eighty-five per cent. were purely agricultural products for the year 1891; of our exports to South America, twenty-six per cent. consisted of purely agricultural products. If these treaties have any effect of increasing our trade abroad, it is to give additional markets for manufactured goods." [32]

The same claim was also put in very clear language by Representative Warner, of New York, who was inclined to repudiate the whole reciprocity idea on the ground that it was opposed to Democratic conceptions on the tariff:

"The whole idea of reciprocity," said Mr. Warner, * * * "looked at from a Democratic standpoint, consists in resolving that we will make the mass of people continue bearing the burdens which we admit they should not be required to bear, until some foreign nation consents to favor certain others of our people by giving them commercial advantages." * * *

"In other words, from a Democratic standpoint, reciprocity looks like selling the great mass of the consumers in order to help a small quota of exporters; while from a Republican standpoint it seems to me like selling old friends to buy new ones." [33]

The Republicans, of course, returned a reply to the claim made by Democratic members that reciprocity had proved an actual failure, by saying that its failures, whatever they were, were due to depressed conditions in South America, which had happened to prevail during the life of the treaties. Thus Mr. Tawney argued, with reference to Brazil, that:

"Had there been a condition of peace and domestic tranquility in

[31] *Ibid.*, p. 1422. [32] *Ibid.*, p. 1422. [33] *Ibid.*, p. 1423.

that country [Brazil] during this time (April 1, 1891, to June 3
1892) the improvement in our trade would no doubt have been muc
greater. This increase is divided among the several classes of ou
exports to that country, as follows: In breadstuffs, over eightee
per cent.; in manufactures of iron and steel, over ninety-three per cent
in manufactures of wood, over eighteen per cent.; in glassware, ov
nineteen per cent.; and in general trade, twenty-s .en per cent. * *
When the authority for these agreements have once been destroye
and foreign nations know that they can enjoy the advantages of ou
markets without granting to the American producers the concessio
in their own market, which, by the terms of these agreements, th
have already made, these concessions will very soon be withdrawn an
the American producer practically excluded from these markets agai
as he was prior to the adoption of the policy of reciprocity."[34]

As has already been suggested, the debate in the Sena
almost inevitably assumed a different form in consequence o
the changed outlook for reciprocity, owing to the alteration i
the sugar schedule. It was early seen that with the suga
schedule as it stood, there was no outlook whatever, even fo
the maintenance of existing reciprocity. Regardless of th
fact that the sugar schedule had been reintroduced into the bil
largely through the efforts of the well-known "sugar tru
Senators," there was speedily built up a beautiful legen
concerning the markets conquered by the McKinley policy, an
which were now to be thrown away under the Wilson Ac
In his speech, Senator Lodge argued[35] that free trade coul
secure no foreign market, but would destroy the home marke
while entrance into foreign countries was properly to b
obtained through a reciprocity policy like that of the McKinle
bill which, he said, had resulted in building up a trade i
manufactured articles. So, also, there appeared a group o
men declaiming against the sacrifice of reciprocity because o
the harm thereby done to the enormous trade in wheat an
flour, built up on behalf of the northwestern wheat-raisers an
flour-millers under the act of 1890. Said Senator Hale:

"The provisions of the bill which strike down the whole scheme

[34] *Ibid.*, p. 1418.

[35] *Ibid.*, p. 3622.

reciprocity * * * strike most severely at the northern wheat-grower and the northern miller, and will at one blow destroy the trade which has grown up with Cuba, and will besides shut out from the German market the already established and increasing exportation from the northern packing establishments of pork to that country.[36]

But the most vigorous plea from the flour-milling interests was offered by Senator Washburn of Minnesota, April 23, 1894. In this speech, he pointed out that the principal benefit of reciprocity had been reaped by the northwestern farmer and flour-miller and that the abrogation of the treaties would be likely to put this class of the population in a worse position than that which it had occupied before the McKinley Act, for the reason that the abrogation would inevitably be followed by retaliatory legislation on the part of Latin-American countries, to say nothing of Germany and Austria. This retaliation, said Mr. Washburn, would almost certainly be directed against the American farmer, because it was chiefly in farm products that our trade with Europe and the reciprocity countries of South America had existed. It was an absolute necessity, he maintained,[37] that something should be done to keep open the markets of the world to the products of the American farmer. Ignoring the claims of Senators who had just been regretting the terrible sacrifice to be suffered by our manufacturers to the loss of reciprocity, he argued that the American manufacturer was able to compete with that of any country in the world. Moreover, said Mr. Washburn, the repeal of the reciprocity clause was a great opportunity thrown away. We were giving away advantages for nothing and destroying a trade which furnished the sole instance of recent increase in exports. In spite of these large claims, the advocate for the flour-milling interests was compelled to admit that the results of the test of reciprocity already made had been unsatisfactory. This, however, he attributed to the interference with industry caused by revolutions in Honduras, Nicaragua and

[36] *Ibid.*, p. 3663.

[37] *Ibid.*, p. 3967.

Brazil, to poor crops in the British Colonies and to the low price of silver elsewhere.[38]

The trade with Cuba and some other countries, he held, had been most profitable in consequence of the treaty. The intercourse with Brazil was an unfair test, because of revolutionary movements and bad industrial conditions.[39] Congress, moreover, could not in good faith terminate the treaties, nor should it be willing to do so, since many European countries were reaching out by means of a similar policy, and were endeavoring to capture the trade of South America and to drive us from those markets.[40] Senator Washburn also ignored the history of reciprocity efforts in the past, for he predicted great possibilities in the development of our commerce through a reciprocity system which should include Mexico, Argentina, Chili, Uruguay, Australasia and Canada.[41]

A group of naive historical speakers also appeared, interpreting history "not with their eyes but with their prejudices." The McKinley mythus grew with astonishing speed, and the attempt was made to show that it was our free and generous policy in removing the duty on sugar which had opened to us the South American market. Nothing was said of the revenue considerations nor of the political motives which together had determined the removal of the sugar tariff in the House Ways and Means Committee long before reciprocity was ever thought of—the reciprocity clause in the McKinley Act having, as we have seen, been inserted at the last moment in the Senate. Thus Senator Proctor, on the 29th of May, restated the old argument about the sacrifice of markets, and the wisdom of the McKinley Act in opening foreign countries to our manufactured goods; while Senator Gallinger, a little earlier, had maintained that the origin of reciprocity was to be found in the fact that European and Oriental competition had been driving our agricultural products out of European markets.

[38] *Ibid.*, p. 3975. [39] *Ibid.*, p. 3976. [40] *Ibid.*, p. 3981. [41] *Ibid.*, pp. 3982-84.

To meet this difficulty, he said, a wise Congress had stepped in to place articles which we could not raise economically, such as sugar, coffee, etc., on the free list, thus providentially opening to us a new field for our wheat and flour. Senator Gallinger, however, having behind him the New England interests which had always been favorable to better trade with Canada, did full justice to the Wilson bill in one respect. He recognized that under it, even as it stood, shorn of its sugar provisions as passed by the House, it came much closer to providing for real reciprocity in some directions than had the McKinley Act:

"A comparison between the Wilson bill as it comes from the House and the new Canadian tariff shows how close an understanding must have existed between the framers of the two measures. In each bill, lumber, buckwheat, rye and rye-flour, and corn are put on the free list, when imported from any country which admits these articles free of duty.

"Canada offers to place apples, beans, peas, potatoes, hay, vegetables, and barley on her free list wherever any other countries do the same; and the Wilson bill places apples and peas on the free list absolutely. Eggs and salt are made free in both countries, and the United States offers Canada free oats, oatmeal, wheat and wheat-flour in exchange for like favors. Ores of metals are on both free lists, and so is wool. The Wilson bill is a virtual attempt to obtain by co-ordinate legislation in the two countries the revival of the provisions of the reciprocity treaty of 1854."[42] * * *

The question of retaliation was also brought up in connection with the changes for better trade with Canada, supposed to be opened by the Wilson Act. Senator Squire argued that in return for a reduction of duty or free entry of Canadian coal into the United States we should demand a similar and reciprocal concession. He proposed a reciprocity amendment to that effect.[43] A similar outcome occurred in the case of an amendment offered by Senator Jones, in which he provided for reciprocal fishing concessions in the northeastern fisheries,

[42] *Ibid.*, p. 3901.

[43] *Ibid.*, p. 6452.

was withdrawn by Mr. Jones in view of the fact that he was able to get no support for it.[44]

The Democratic members of the Senate had comparatively little to say concerning reciprocity. Senator Vest, who had been a foremost speaker when the McKinley Act was under consideration, stated the Democratic position on the subject in very clear language:

"The Democratic party, as I understand its position, has never been opposed to these reciprocal commercial arrangements. They were commenced or advocated originally by Mr. Jefferson, the founder of our party. But we * * * are opposed irrevocably to that portion of section three of the McKinley Act which gives to the President of the United States the power of retaliation against foreign countries."[45]

Mr. Vest, ignoring the export price problem, also showed the illogical character of the claim that we could, by securing a twelve and a half per cent. advantage in the Brazilian market for our cotton goods, gain the field as against British manufacturers so long as it took a protective duty of about fifty-five per cent. to safeguard our home market against foreign invasion.[46]

Thus the debate in both House and Senate had been as illusive and inconclusive as it had been when the McKinley Act was before the country.

The attempt at retaliatory customs legislation which was undertaken by the McKinley Act had been considered by many to be a probably fruitful source of difficulties with foreign countries which, it was supposed, would resent the effort to interfere with their systems of customs legislation. Those who offered this plea probably did not realize to what an extent the principle of retaliation had already been incorporated into the customs systems of foreign countries. Without being wholly aware of the extreme significance of our act we had gone, in truth, much farther than was at first appreciated in our provision for free sugar. When, therefore, the passage

[44] *Ibid.*, p. 6518. [45] *Ibid.*, p. 6985. [46] *Ibid.*, p. 6989.

of the Wilson bill, with its repeal of the reciprocity section of the McKinley Act and its restoration of the duty on sugar, seemed assured, there arose a storm of protest against the change. These protests were, for the most part, professedly based on the changed policy of our government with respect to sugar, and this was likewise unquestionably the case even in those instances where the protesting countries did not see fit to state the real grounds of their dissatisfaction. While the bill was still pending in the Senate, Germany, which was at that time feeling her sugar embarrassments very severely, filed a protest with the national government at Washington, July, 1894. In this protest the attempt was made to show that the imposition of a raw sugar duty of forty per cent. ad valorem, with one-tenth of a cent a pound additional on all sugar above number sixteen Dutch standard, was an unfair discrimination against German producers. Inasmuch as the sugar exported by Germany was of rather superior quality, the additional tariff of one-tenth of a cent per pound would necessarily result in driving it from the market by subjecting it to a discriminating duty. As to the fact that German sugar was earning a bounty, it was claimed that such bounties were purely domestic matters which could, under no circumstances, be taken into account between countries sustaining toward each other the relation of most favored nations. The protest contained a distinct threat of retaliatory action should the so-called discriminating duty be retained. Little or no official attention was paid to this protest, although it aroused considerable discussion of an unofficial sort. After the Wilson bill had become a law, a second protest was handed to the Secretary of State by the German Ambassador. This protest again complained of the provision that sugars from countries paying an export bounty should be liable to a discriminating duty of one-tenth of a cent per pound. Germany declined to consider her export bounties as bearing upon the subject at all. Her chief complaint against the new tariff was that it violated the principles

involved in the reciprocity agreement negotiated under the McKinley Act. Inasmuch as it was, however, impossible to make any allowance for the German protest at so late a day, this, like its predecessor, was therefore necessarily ignored. Germany undoubtedly resented our action very deeply. It necessarily intensified the embarrassment concerning sugar into which she was already plunged. At about the same time the growing strength of the agrarian movement was being directed toward higher duties on American agricultural products imported into that country. This agrarian movement, and the dissatisfaction over our repeal of the reciprocity section of the McKinley Act, combined to produce a tariff situation very unfavorable to us. There was inaugurated a systematic attempt at tariff retaliation which undoubtedly tended to injure our export trade, particularly after the feeling of hostility to the United States had been once more aggravated by the passage of the Dingley Act.

At the outset, the commercial warfare undertaken by Germany was by no means so serious as it later became, yet even from the start American merchants were made to suffer severely. The agitation against American insurance companies which, by their better management and more profitable opportunities for investment, had succeeded in competing on highly favorable terms with German companies, received a spur from the change in our way of dealing with sugar. It resulted in seriously hampering the American insurance business in Germany and, while this hostility was, of course, not the direct result of the change of front regarding reciprocity, it must be admitted that the general ill-will toward us resulting therefrom made it easier for German insurance companies to push their plans against American companies with success in the German legislative body. Many other methods of discrimination against American industry were adopted in 1894 and the succeeding years. American exports were already suffering severely from the bad commercial conditions consequent upon

the commercial crisis of 1893, and they probably found it harder to regain their standing owing to the hostility of foreign countries toward us. Matters, in fact, went so far that President Cleveland, in his annual message to Congress for 1895 [47] took note of the proposals for counter-retaliation against Germany, giving his verdict against such a policy in these words:

"In our dealings with other nations we ought to be open-handed and scrupulously fair * * * and it plainly becomes us as a people who love generosity and the moral aspects of national good faith and reciprocal forbearance."

A protest substantially similar to that of Germany was filed by the Austrian Minister, who likewise complained that the duty on sugar, and the one-tenth of a cent per pound additional levied as already described, was a violation of the treaty relations between the two countries. This claim was based not only upon the commercial treaty negotiated under the act of 1890, but also upon an earlier agreement concluded in 1842 and forbidding the imposition of discriminating duties on goods imported from Austria to the United States.

While the beet-root sugar countries thus were inclined to rest their contention chiefly upon a diplomatic question concerning the validity of treaty agreements under the most favored nation clause, and refused to recognize their own export bounties as legitimate ground for discriminating duties, a somewhat different attitude was adopted by the South American countries. They in general complained of the mode of terminating the treaties between themselves and the United States. This argument was put in a particularly cogent way by Brazil, which pointed out that the treaty itself had provided for six months' notice of termination on either side, a claim which merely produced from Secretary Gresham the reply that the act of 1890 "did not contemplate the creation of a condition

[47] "Messages and Papers of the Presidents of the United States," Washington, Vol. IX., p. 629.

of things which it would not be within the power of this government at any time to alter." Moreover, a very forcible argument was presented by Guatemala, whose representatives complained of the artificial stimulus which had been given to the cultivation of sugar in that country under the impression that the markets of the United States would remain open to its producers. Now that sugar was no longer free, the capital invested in such enterprises would, of course, be very much less in value than would otherwise have been the case. Guatemala also called attention to the injustice of admitting Hawaiian sugar free, in view of the alleged discrimination thereby imposed upon the sugars of all other countries. Like Brazil and Guatemala, Nicaragua, Costa Rica and San Domingo filed protests against the change of policy toward the reciprocity treaties.

In a foregoing chapter the statistics of our import and export trade with the reciprocity countries have already been sufficiently set forth, and they need not be recapitulated at this point. Reference to the discussion there presented will show that, save in one or two special cases, to be discussed later on, and governed by exceptional circumstances, trade with these countries showed no general falling off under the Wilson Act.

One of the first acts of the Republicans, as they gradually regained power subsequent to the passage of the Wilson bill, was to announce their allegiance to reciprocity as a policy. A crop of bills and resolutions came up in Congress on the subject of reciprocity in the course of the first session of the 54th Congress, 1895-1896, and were referred to the Committee on Ways and Means. This was deemed a favorable opportunity for manufacturing a little political capital. The Committee undertook a labored investigation of the reciprocity policy and finally presented a bulky report [48] to Congress, in which it discussed the whole subject, paying especial attention to the

[48] House Report, 2263, 54th Congress, 1st session, 1896, p. 643.

working of the McKinley treaties and the effects of their abrogation under the Wilson tariff. Needless to say, the report was a glowing tribute to McKinley reciprocity and a violent "arraignment" of the Democrats for their alleged action in restoring the sugar tariff and repealing the reciprocity section of the act of 1890. In the course of its inquiries, the Committee called before it sundry individuals, supposedly conversant with conditions in the business world, and it also sent out circulars of inquiry to chambers of commerce and industrial organizations, among which not a few political clubs were included. The questions contained in these circulars concerned:

(1) The effect of the reciprocity arrangements under the act of 1890;

(2) The results of their repeal by the tariff act of 1894;

(3) The wisdom of re-enacting reciprocity legislation; and

(4) The methods which might be pursued by our diplomatic representatives in extending the foreign trade of the United States.

Of the replies to this circular, most were favorable to reciprocity, regarding the treaties of 1890 as beneficial, the repeal of the reciprocity section under the Wilson tariff as injurious, and its restoration by fresh legislation a desirable change. A few were opposed to a reciprocity policy. There were, of course, all shades of opinion in the various replies received. Contradictory and often absurd interpretations of recent commercial statistics were offered, but there could be no doubt that the general verdict of the organizations consulted was strong and unequivocal in its support of the general idea of reciprocity. From Chicago, Minneapolis, Boston, Pittsburg, New York, Galveston, St. Louis, Cleveland, Los Angeles and a great number of other important commercial centers came clear and unmistakable declarations of approval for the policy embodied in the McKinley Act and of disapproval for the Wilson repeal. While a few persons and organizations

expressed the belief that changes in tariff methods and schedules were more injurious even than oppressive duties, the vast majority did not hesitate to give their approval to the idea of fresh reciprocity legislation.

A much more lengthy and detailed circular of inquiry was sent to manufacturers, and another to commission and export merchants. These circulars included all the questions which were comprised in the circular sent to commercial organizations, but they also included very many additional inquiries. They asked for the details concerning the capitalization and personnel of various plants, the changes in foreign tariffs, tending to affect the industries in question, the conditions of competition with foreign countries, as well as the changes in cost of production as compared with a date six years earlier, and made inquiries regarding the attitude of the person addressed in regard to reciprocity. Almost uniformly, the answers returned to these circulars, like those sent in reply to the earlier one, were favorable to the policy of the McKinley Tariff Act, so far as it related to reciprocity. The general impression produced by these replies is, that whereas the manufacturers who answered them were in nearly all cases "good protectionists," each of them was well assured that his own infant industry ought to be safeguarded from outside competition, and he was equally certain that our "foreign trade" (by which, in nearly all instances, he meant the openings for his own goods abroad) should be "encouraged." Very few went so far as to specify the exact line which this encouragement should pursue, but in all minds there was vaguely floating the idea that the way to encourage an "export trade" in the commodity in question was to open our markets to some other product than their own, exported by foreign countries and needed by our consumers. The manufacturers were perfectly willing to sacrifice each other's interests in payment for concessions to themselves, "the principle of protection" being adhered to because necessary to account for the protection which they themselves

enjoyed. In some instances, however, the answers were distinctly unfavorable to reciprocity under the McKinley Act. One New York firm, for example, stated decidedly that "the general effect of the reciprocity conventions in 1890 was in our opinion unfavorable to the trade of this country. While the exports to certain countries of favored products, such as breadstuffs, machinery, etc., may have increased, the reverse was the case with all other articles, the reason of this being the hostility engendered in many quarters and the necessity under which the treaty nations were of increasing the duties on products not favored, for it must be borne in mind that the Latin-American nations are almost wholly dependent on customs duties for revenue, and if deprived of these on such leading imports as breadstuffs they must make other products bear the burden. The treaties, we have reason to believe, were not generally popular. * * * No little feeling detrimental to our trade was also created by the apparent favor shown to such countries as Mexico, Argentina and others, which were not discriminated against, despite the fact that they declined to make treaties."

There were several such rifts as this within the lute, and it is certainly reasonable to suppose that had the list of manufacturers, to whom circulars were to be sent, been selected with less care a much larger proportion of them would have declared adversely to reciprocity.

CHAPTER IX

THE DINGLEY ACT

It will be impossible to discuss at length the political conditions which grew up after the passage of the Wilson bill. One after another certain adverse circumstances added each a set of conditions which rendered it less and less possible for the Democrats to regain power at the close of the term for which Mr. Cleveland had been elected in 1892. Yet, it is necessary to review in a general way the main outlines of the events which contributed to the defeat of the Democratic party. We have already spoken of the crisis of 1893 with its disastrous effects inherited from the legislation by which the Republicans had tried to temporize with the silver element in 1890. It was a political misfortune to his party that President Cleveland saw, and, in his characteristic way so readily accepted, the moral duty resting upon him to restore the credit of our country by the repeal of the Sherman silver act. Yet, this was a service for which he received at the time the thanks of but a small group of patriotic men. A great body of the people had for the moment been infected by the false philosophy of cheap money—a seed which fell upon the fertile soil prepared for it by the commercial disasters of 1893 and the succeeding years. Had the crisis lightened, and had prosperity returned, it might have been possible to avert the threatening political storm and to restore the mass of the voters to their senses. In that case, we might have continued upon the strait and narrow tariff reform path which had been mapped out by President Cleveland and William L. Wilson, for they had but made a beginning with their efforts at the restoration of a

rational system of duties. But the situation did not improve. An immense variety of conditions was developed which tended to blind the eyes of the people to the real issues at stake. The income tax clause of the Wilson bill was declared unconstitutional by the Supreme Court. The bad commercial conditions which had spread all over the world reduced our duties on imports, and the inability of the Democrats to do anything further towards restoring our currency to a stable position kept our creditors in a constant state of uneasiness and made them unwilling to lend capital freely to the United States. Then grew up the noisy agitation for cheap-money. It attracted many unthinking men who were influenced by the bad industrial conditions of the time and the lack of employment. When the Democratic convention met at Chicago, in July, 1896, for the purpose of nominating a candidate for the presidential contest, these blind leaders of the blind appeared in great numbers. Along with them came a host of men not knowing precisely what they wanted, and seeking after better bread than could be made of wheat. Tariff reform had deeply disappointed many, for they were not sufficiently close students to realize that the Wilson bill, in the form in which it had been passed, was no more than a caricature. Having lost their old beliefs, and not knowing which way to turn in the effort to allay popular discontent, they were in a condition to be led by the first clever politician who might make his appearance. Such a man speedily presented himself in the person of William J. Bryan, who declared the silver issue to be the controlling problem of the day. Although Mr. Bryan was a strong advocate of tariff reform, and when in Congress had done good work in holding up the hands of the tariff leaders of his party, he now practically laid the tariff question on the shelf and in all of his utterances followed after silver.

In the meantime, the fiscal situation had been growing more and more threatening. Successive issues of bonds had been necessary, in order to enable the Treasury barely to keep its head

above water; and the remarkable and necessary transaction by which President Cleveland had engaged a firm of New York bankers to attempt to control the exchanges in order to give the Treasury a breathing space for a few months, had thrown an access of odium upon his administration. Even by these heroic efforts President Cleveland had barely been able to save the nation's credit, and to turn over the Treasury in a fairly respectable condition to his successor. President McKinley's victory in the fall of 1896 was due only to a remarkable manifestation of the sound sense and moral uprightness of the conservative classes of the country, whether Democratic or Republican in their political faith. From 1893-1894 to 1896-1897 there had been a regular deficit in the finances of the government. Beginning with 1893-1894, this deficit amounted to 69.8 million dollars, declined in the following year to 42.8, then fell to 25.2 and finally to 18.0 millions in the last year of the series. Facing these unsatisfactory conditions, it was certain that President McKinley on taking office must propose special measures for the relief of the Treasury. It was also a foregone conclusion that these measures would not be taken through exclusively revenue legislation, but that Mr. McKinley would endeavor, as the Republicans had always endeavored, to couple with his revenue legislation the restoration of a high-tariff policy. When the extra session of 1897 was summoned, therefore, it was certain that a saturnalia of protection would ensue and this, in fact, was exactly what happened. In spite of the fact that, as we have seen, the election had brought forth no distinct utterance of the popular will on the question of the tariff, it was easy to rally the party on this topic and to get the income needed, by a process which would please a host of powerful and monopolistic interests, even though it might cause vague, if general, discontent among the consuming classes of the country. With striking disregard of all legislative proprieties and bolstered up by the feeling of security based on a knowledge that the conservative classes of the

country had received a terrible fright, Mr. McKinley and his party hastened to present a bill whose terms had evidently been prepared beforehand. Many of its schedules had been dictated by special interests, whose contributions to the campaign test were understood to have been large. This bill was the Dingley Act. Mr. Dingley had been Chairman of the Ways and Means Committee in the 54th Congress, 1895-1897, and his Committee had doubtless been vigorously at work preparing the new tariff measure during the session 1896-1897, in anticipation of the Republican victory of the autumn. Consequently, when the extra session of 1897 began, the bill was almost immediately presented, making its appearance in the House within three days after the session had been opened. It was passed less than two weeks later, March 31st, by the House, after but the barest farce of debate.[1]

It would be difficult, as we have seen, to say precisely how large a part was played by the tariff question in determining the outcome of the elections in 1896. Yet, as regards reciprocity, at least, the lines had been clearly drawn and the victory of the Republicans committed them to definite action

[1] The history of the Dingley bill may be briefly reviewed. On March 18, 1897, Mr. Dingley introduced a bill (H. R. 379), entitled "A bill to provide revenue for the government and to encourage the industries of the United States." This was referred to the Committee on Ways and Means. (*Congressional Record*, 55th Congress, 1st session, Vol. 30, p. 53.) This bill was reported back favorably on the following day and was made the special order of business. (*Ibid.*, p. 72.) From March 22d to March 31st the bill was debated in the House. (*Ibid.*, pp. 120-519.) It finally passed the lower chamber on the 31st of March by 205 yeas and 122 nays, the number not voting being 6. (*Ibid.*, p. 557.) On the same day the bill was read twice by title and referred to the Senate Committee on Finance. (*Ibid.*, p. 559.) After remaining in the hands of the Finance Committee for over a month it was favorably reported by Senator Aldrich in behalf of the Committee. Mr. Aldrich, however, reserved the right to present amendments for reciprocal trade with other countries, in place of the reciprocity section, which the Committee had recommended should be stricken from the bill.

Between May 6, 1897, and July 7, 1897, the measure was debated and amended in the Senate. (*Ibid.*, pp. 907-2447.) It passed the Senate with amendments July 7, 1897, by a vote of 38 yeas to 28 nays. (*Ibid.*, p. 2447.) On the 8th of July it was decided by the House to non-concur in the Senate amendments, and conferees were appointed. These were Representatives Dingley, Payne, Dalzell, Hopkins, Grosvenor, Bailey, McMillan and Wheeler of Alabama. (*Ibid.*, p. 2512.)

A similar step was taken by the Senate which, on July 7th, appointed Senators Allison, Aldrich, Platt of Connecticut, Burroughs, Jones of Nevada, Vest, Jones of Arkansas, and White, as conferees. A conference report was made, debated and agreed to by the House on July 19th, by a vote of 187 yeas to 116 nays. The bill finally passed the Senate on the 24th of the following July, 40 Senators voting in the affirmative and 30 in the negative. On the same day the measure was approved by the President.

on that subject, so soon as the tariff should again be taken up. In the Republican platform adopted at St. Louis, June 17, 1896, had occurred the following pledge:[2]

"We believe the repeal of the reciprocity arrangements negotiated by the last Republican administration was a national calamity, and we demand their renewal and extension on such terms as will equalize our trade with other nations, remove the restrictions which now obstruct the sale of the American products in the ports of other countries and secure enlarged markets for the products of our farms, forests and factories. Protection and reciprocity are twin measures of Republican policy and go hand in hand. * * * Reciprocity builds up foreign trade and finds an outlet for our surplus."

Thus the usual political evasion to be expected in such planks was hardly to be found—at least in its customary form—in this "plank." True, the beautiful encomium upon reciprocity was somewhat weakened by the statement that it must necessarily go "hand in hand" with protection, but none the less it might reasonably be anticipated that the path had been marked out too definitely to admit of divergence, and that at all events such reciprocity as would not seriously impair the main features of the protective policy could be expected. Certainly it could not be charged that the reciprocity of the McKinley Act had had the effect of weakening the protective system, and it might, therefore, be expected that in living up to the platform pledge something as extensive as the reciprocity of the McKinley Act would be restored.

As finally passed, the Dingley Act contained the following provisions for reciprocity:

"Sec. 3. That for the purpose of equalizing the trade of the United States with foreign countries and their colonies producing and exporting to this country the following articles:

"Argols, or crude tartar, or wine lees, crude; brandies, or other spirits manufactured or distilled from grain or other materials; champagne and all other sparkling wines; still wines and vermuth; paintings and statuary, or any of them, the President be and he is hereby author-

[2] "National Party Platforms of United States," compiled by J. M. H. Frederick, p. 85, Akron, O.

ized, as soon as may be after the passage of this act, and from time to time thereafter, to enter into negotiations with the governments of those countries exporting to the United States the above-mentioned articles, or any of them, with a view to the arrangement of commercial agreements in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States; and whenever the government of any country or colony producing and exporting to the United States the above mentioned articles, or any of them, shall enter into a commercial agreement with the United States, or make concessions in favor of the products or manufactures thereof, which, in the judgment of the President, shall be reciprocal and equivalent, he shall be, and is hereby, authorized and empowered to suspend, during the time of such agreement or concession, by proclamation to that effect, the imposition and collection of the duties mentioned in this act, on such article or articles so exported to the United States from such country or colony, and thereupon and thereafter the duties levied, collected, and paid upon such article or articles shall be as follows, namely:

"Argols, or crude tartar, or wine lees crude, five per centum ad valorem.

"Brandies, or other spirits manufactured or distilled from grain or other material, one dollar and seventy-five cents per proof gallon.

"Champagne and all other sparkling wines, in bottles containing not more than one quart and more than one pint, six dollars per dozen; containing not more than one pint each and more than one-half pint, three dollars per dozen; containing one-half pint each or less, one dollar and fifty cents per dozen; in bottles or other vessels containing more than one quart each, in addition to six dollars per dozen bottles on the quantities in excess of one quart, at the rate of one dollar and ninety cents per gallon.

"Still wines and vermuth, in casks, thirty-five cents per gallon; in bottles or jugs, per case of one dozen bottles or jugs containing each not more than one quart and more than one pint, or twenty-four bottles or jugs containing each not more than one pint, one dollar and twenty-five cents per case, and any excess beyond these quantities found in such bottles or jugs shall be subject to a duty of four cents per pint or fractional part thereof, but no separate or additional duties shall be assessed upon the bottles or jugs.

"Paintings in oils or water colors, pastels, pen and ink drawings, and statuary, fifteen per centum ad valorem.

"The President shall have power and it shall be his duty, whenever he shall be satisfied that any such agreement in this section mentioned

is not being fully executed by the government with which it shall have been made, to revoke such suspension and notify such government thereof.

"And it is further provided that, with a view to secure reciprocal trade with countries producing the following articles, whenever and so often as the President shall be satisfied that the government of any country, or colony of such government, producing and exporting directly or indirectly to the United States coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, or any of such articles, imposes duties or other exactions upon the agricultural, manufactured, or other products of the United States, which, in view of the introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, into the United States, as in this act hereinbefore provided for, he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, of the products of such country or colony, for such time as he shall deem just; and in such case and during such suspension duties shall be levied, collected, and paid upon coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, the products or exports, direct or indirect, from such designated country, as follows:

"On coffee, three cents per pound.

"On tea, ten cents per pound.

"On tonquin, tonqua, or tonka beans, fifty cents per pound; vanilla beans, two dollars per pound; vanilla beans, commercially known as cuts, one dollar per pound.

"SEC. 4. That whenever the President of the United States, by and with the advice and consent of the Senate, with a view to secure reciprocal trade with foreign countries, shall, within the period of two years from and after the passage of this act, enter into commercial treaty or treaties with any other country or countries concerning the admission into any such country or countries of the goods, wares, and merchandise of the United States and their use and disposition therein, deemed to be for the interests of the United States, and in such treaty or treaties, in consideration of the advantages accruing to the United States therefrom, shall provide for the reduction during a specified period, not exceeding five years, of the duties imposed by this act, to the extent of not more than twenty per centum thereof, upon such goods as or merchandise as may be designated therein of the country or countries with which such treaty or treaties shall be made as in this section provided for; or shall provide for the transfer during

such period from the dutiable list of this act to the free list thereof of such goods, wares, and merchandise, being the natural products of such foreign country or countries and not of the United States; or shall provide for the retention upon the free list of this act during a specified period, not exceeding five years, of such goods, wares, and merchandise now included in said free list as may be designated therein; and when any such treaty shall have been duly ratified by the Senate and approved by Congress, and public proclamation made accordingly, then and thereafter the duties which shall be collected by the United States upon any of the designated goods, wares, and merchandise from the foreign country with which such treaty has been made shall, during the period provided for, be the duties specified and provided for in such treaty, and none other."

The bill, of course, was highly protective. It not only greatly raised duties on many commodities but it restored the tariff on wool, taxed hides at fifteen per cent., and established an elaborate sugar schedule.

In studying the later history of reciprocity, this sugar schedule became a matter of great importance. Just as was the case, therefore, with the Wilson bill, it is necessary to bear carefully in mind precisely what was done by the Dingley Act on the subject of sugar.

The provisions of the act, so far as they relate to sugar, ran as follows:

"209. Sugars not above number sixteen Dutch standard in color, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above seventy-five degrees, ninety-five one-hundredths of one cent per pound, and for every additional degree shown by the polariscopic test, thirty-five one-thousandths of one cent per pound additional, and fractions of a degree in proportion; and on sugar above number sixteen Dutch standard in color, and on all sugar which has gone through a process of refining, one cent and ninety-five one-hundredths of one cent per pound; molasses testing above forty degrees and not above fifty-six degrees, three cents per gallon; testing fifty-six degrees and above, six cents per gallon: sugar drainings and sugar sweepings shall be subject to duty as molasses or sugar, as the case may be, according to polariscopic test: *Provided,* That nothing herein contained shall be so construed as to abrogate or in any manner impair or affect the pro-

visions of the treaty of commercial reciprocity concluded between the United States and the King of the Hawaiian Islands on the thirtieth day of January, eighteen hundred and seventy-five, or the provisions of any act of Congress heretofore passed for the execution of the same.

"210. Maple sugar and maple sirup, four cents per pound; glucose or grape sugar, one and one-half cents per pound; sugar cane in its natural state, or unmanufactured, twenty per centum ad valorem.

"211. Saccharine, one dollar and fifty cents per pound and ten per centum ad valorem.

"212. Sugar candy and all confectionery not specially provided for in this act, valued at fifteen cents per pound or less, and on sugars after being refined, when tinctured, colored or in any way adulterated, four cents per pound, and fifteen per centum ad valorem; valued at more than fifteen cents per pound, fifty per centum ad valorem. The weight and the value of the immediate coverings, other than the outer packing case or other covering, shall be included in the dutiable weight and the value of the merchandise."

Why this schedule was of moment in its bearing on beet sugar and the progress of that industry, it will be possible to discuss at greater length later on. The point of first importance here is to get clearly in mind exactly what it was that was done by the Dingley Act on the subject of sugar. Few Congressmen, as it subsequently appeared, understood even remotely what had been done, and much of the vague and misleading talk which was heard during the Cuban reciprocity debate was based upon ignorance of the meaning of the Dingley provisions. It has been seen that a duty of forty per cent. ad valorem had been imposed on all raw sugar under the act of 1894. The price of raw sugar, however, had steadily fallen, owing to continued over-production in all countries of the world. In 1896 forty per cent. ad valorem meant a duty of less than a cent a pound on imported raw sugar. The revenue from this source had consequently been relatively small. As will be seen from a study of the sugar schedule already given, and a comparison of prices ruling in the market, what the Dingley Act did was to substantially double the duty on raw sugar. To start with, it was made

specific instead of ad valorem. Although it was cleverly fixed at one cent a pound on sugar of seventy-five degrees (polariscope test) it was gradually increased to 1.65 cents on ninety-five degree sugar, which was the ordinary purity of the raw sugar of commerce. A great deal of credit was assumed by the Republicans for the protection thus afforded to the beet sugar industry in the West, but in truth this protection was no greater than had been enjoyed by the then non-existent beet sugar industry prior to the passage of the McKinley Act. The real motive for imposing this duty on raw sugar was the need of revenue, raw sugar being a most certain and productive source of income. On refined sugar, the Dingley Act granted a duty of 1.95 cents per pound. This, however, was .125 cents greater than the duty to be imposed upon raw sugar of 100 degrees. For the process of refining, therefore, an extra protection of one-eighth of a cent (.125) was given. *This was the so-called "differential" of which so much was said during the Cuban sugar debate. It was the excess protection given to refined sugar as compared with raw sugar of an equal grade of saccharinity.* It will be recalled that an additional duty of one-tenth of a cent per pound had been granted upon all sugar coming from countries paying an export bounty. In 1897 an alteration was further introduced into this provision, when it was ordered that the Secretary of the Treasury should impose on such bounty-fed sugars countervailing duties equal in amount to the export bounties.

The tariff act of 1897 adopted a new departure in the method of providing for reciprocity. To the so-called "tropical reciprocity" of the McKinley bill in a much modified form it now attempted to add reciprocity which would result in making certain concessions to some European countries in which it was believed that our manufacturers might find a market for their goods. The articles selected, of course, had to be of a character which would not materially interfere with the industries of the United States. Thus two kinds of reci-

procity were provided for. The concessions made, however, were so limited and the scope of the agreements which could be negotiated was clearly so small that the framers of the act were ashamed to leave the subject after providing for reciprocity on the narrow and superficial basis to which we have just alluded. It therefore added a third kind of reciprocity. It will be worth while to examine with some care the different classes of reciprocity agreement which were thus made possible by the terms of the Dingley Act.

As has just been said, the Dingley Act undertook to retain the so-called "tropical reciprocity" which was intended to furnish a basis for trade with the South American countries. The reciprocity provisions of the McKinley Act had, as we have seen, aroused the hostility of the producers of certain of the commodities which were made the foundation for the reciprocity treaties. It was, therefore, sought to omit the parts of these provisions which had caused offense. Hides were taken from the list of "reciprocity commodities" and horizontally taxed at fifteen per cent. Sugar was treated as already described and was also eliminated from among the "reciprocity commodities." In place of free hides and free sugar, it was provided that "tonquin, tonqua, or tonka beans and vanilla beans," should be substituted—a pitiful concession after the important articles of sugar and hides had been removed. Only coffee and tea were retained on the free list.

After the same principle, a new kind of reciprocity with European countries was arranged for. It was specified that the President, in return for corresponding concessions for American goods, might admit at lower rates, argols, or crude tartar, or wine lees, crude; brandies, or other spirits manufactured or distilled from other spirits, champagne and all other sparkling wines, still wines and vermuth; paintings and statuary. In case suitable concessions were not made, but the various countries should go on charging unfair duties upon American products, the President was authorized to order

specified rates of duty collected upon each of the articles enumerated. Thus it appears that by the offer of concessions in these carefully selected and unimportant articles we were to try to buy openings for our commodities abroad, and inasmuch as it would be practically hopeless for us to expect to secure modifications of European tariffs on our cereals—so far as any existed—by the offer of such minute concessions, it was apparent, on the face of things, that the openings hoped for were to be for our manufactures.

But the most interesting part of the Dingley provisions was found in the third kind of reciprocity of which mention has already been made. It will have been observed that in the cases already cited the discretion of deciding when to place the goods already mentioned on the free list was left to the President without further action by Congress. But in the provision for the third kind of reciprocity, it was specified that all arrangements were to be made by and with the advice and consent of the Senate. The agreements negotiated were to provide for the admission of the goods, wares and merchandise of the United States to foreign countries upon as favorable terms as possible. In return therefor the President was authorized to provide for the reduction, during a period not exceeding five years, of twenty per cent. in the Dingley duties upon such goods and merchandise of the countries with which the treaties were negotiated as might be agreed upon. In any case, a ratification by the Senate was necessary. Thus a large field for the profitable exercise of a reciprocity policy was suggested, subject to the condition that Congress would prove sufficiently pliable to meet the wishes of the President who had negotiated the treaties in question. The Dingley Act must therefore be looked at from two distinct points of view. So far as it actually took measures toward the establishment of reciprocity, it must be ranked far behind the McKinley Act. On the other hand, in its provisions for potential reciprocity it marked out a field far more extensive

than anything contemplated in the McKinley Act. It was a double-faced measure. It did little, but it promised a great deal.

In the debates of Congress on the Dingley bill, the confusion of mind which has characterized the two principal political parties with reference to reciprocity is clearly apparent. Before beginning an analysis of the debate, it is, therefore, desirable to sketch in outline the political considerations which suggest themselves as the result of the period of discussion upon reciprocity which opened with the act of 1890. As we have already seen, the tariff debate of 1890 did not wholly clarify the political situation and leave the two parties with a clear consciousness as to their exact attitude on the question. We have seen that the reciprocity of the McKinley bill was, in a sense, the result of Mr. Blaine's intervention. Shortly after the passage of that act it became apparent that the reciprocity principle, if carried far enough, might easily result in a very general reduction of tariff duties. Whether such a reduction would have been destructive to the industries of the country from a protective point of view or not, need not be here discussed. It is certain that reciprocity, if widely extended, might conceivably bring about a state of affairs similar to that prevailing in Germany under the general and conventional tariff system, or in France under the maximum and minimum tariff, as the case might be. That such an outcome would be highly distasteful to those who clung fondly to a highly protective policy goes without saying. Only, therefore, as the new plan was to be kept within bounds and limited to trade in certain specified directions could it be held to harmonize with the avowed principles of the protective system.

On the other hand, it was also very far from clear to those who advocated tariff revision that reciprocity would result in much improvement from their standpoint. We have already seen how reciprocity was regarded by so thorough-going a reformer as Mr. William L. Wilson. Yet there were many

in the Democratic party who accepted a different view. Not a few persons believed that the Democrats should hold themselves in readiness to accept any reduction of duty (of whatever kind) that could be obtained. According to the ideas of these reasoners, it did not so much matter whether the reductions of duty proposed in any particular case were such as necessitated hardship to certain classes of producers—who relatively to others, would be injured by the proposed cut in duty for the sake of buying foreign markets abroad for certain other producers, or for the purpose of aiding domestic consumers by enabling them to get their commodities more cheaply. Regarding the whole protective system as essentially evil, they naturally maintained that reformers should not look too minutely into the effect of any changes in the schedules. They should be content to assist in securing such reductions as circumstances offered, and should bend every effort toward puncturing the protective system at as many points as practicable.

Opposed to this opinion was that of the group of Democrats who regarded reciprocity as merely a plan to defeat the free trade movement by quieting the fears of some manufacturers, and furnishing them ground for greater contentment with the conditions under which they were living by making them feel that their own interests at least had been safeguarded. Those who occupied this position felt that reciprocity was actually a dangerous proposal because it seemed like reform although only a hypocritical pretence, and they were inclined to consider it indefensible, even from a protectionist standpoint, because it implied a process of bartering away one man's protection for the extension of another man's market.

Within the Republican party, on the other hand, two distinct and opposing groups had early been developed. One group, as we have seen, consisted of the uncompromising high-tariff men and bitterly opposed every change, however insignificant, looking to lower duties. The other included more

moderate persons who saw plainly enough that protectionism could be carried too far, and that if too extreme a policy were accepted, it would inevitably result in alienating some interests which otherwise might be saved to the protectionist ranks. It was practically necessary that the result of such conflicting forces, both within and without the dominant party, should be a compromise on the subject of reciprocity. The Wilson tariff had the effect of deepening the fear of anything approaching the doctrine of free raw materials as applied to staple articles, like sugar, hides, etc. Therefore, there was a practical certainty that in any legislation to be adopted, it would be more than ever sought to avoid this danger as far as possible, and to place the reciprocity plan upon a basis which would be acceptable to as many interests, and obnoxious to as few, as possible.

On the Democratic side of the struggle, it appeared that interest in the tariff question had been almost wholly lost. The frenzied outcry for silver, originated by Mr. Bryan, seemed to have captivated the imaginations of a large majority of the Democrats, and the protests of the conservative tariff reformers were drowned in the "silver chorus."

As originally introduced, the bill provided for reciprocity in the following words:[3]

"SEC. 3. That for the purpose of equalizing the trade of the United States with foreign countries, and their colonies, producing and exporting to this country the following articles: Argols, or crude tartar, or wine lees, crude; chicle; brandies, manufactured or distilled from grain or other materials and not specially provided for in this act; champagne and all other sparkling wines; still wines, including ginger wine or ginger cordial and vermuth; laces made of silk or of which silk is the component material of chief value; all mineral waters, and all imitations of natural mineral waters, and all artificial mineral waters, not specially provided for in this act; paintings and statuary; sugar, molasses, and other articles provided for in paragarph 208 of Schedule E of this act, or any of them, the President be, and he is hereby,

[3] *Congressional Record*, 55th Congress, 1st session, Vol. 30, pp. 242-3.

authorized, as soon as may be after the passage of this act, and from time to time thereafter, to enter into negotiations with the governments of those countries exporting to the United States the above-mentioned articles, or any of them, with a view to the arrangement of commercial agreements in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States; and whenever the government of any country, or colony, producing and exporting to the United States the above-mentioned articles, or any of them, shall enter into a commercial agreement with the United States, or make concessions in favor of the products on manufactures thereof, which, in the judgment of the President, shall be reciprocal and equivalent, he shall be, and is hereby authorized and empowered to suspend, during the time of such agreement or concession, by proclamation to that effect, the imposition and collection of the duties mentioned in this act, on such article or articles so exported to the United States from such country or colony, and thereupon and thereafter the duties levied, collected and paid upon such article or articles, shall be as follows, namely:

"Argols, or crude tartar, or wine lees, crude, one cent per pound.

"Chicle, seven cents per pound.

"Brandies, manufactured or distilled from grain or other materials and not specially provided for in this act, two dollars per proof gallon.

"Champagne, and all other sparkling wines, in bottles containing not more than one quart and more than one pint, six dollars per dozen; containing not more than one pint each and more than one-half pint, three dollars per dozen; containing one-half pint each, or less, one dollar and fifty cents per dozen; in bottles or other vessels containing more than one quart each, in addition to six dollars per dozen bottles on the quantities in excess of one quart, at the rate of one dollar and ninety cents per gallon.

"Still wines, including ginger, wine or ginger, cordial and vermuth, in casks, fifty cents per gallon; in bottles or jugs, per case of one dozen bottles or jugs containing each not more than one quart and more than one pint, or twenty-four bottles or jugs containing each not more than one pint, one dollar and sixty cents per case, and any excess beyond these quantities found in such bottles or jugs shall be subject to a duty of five cents per pint or fractional part thereof, but no separate or additional duty shall be assessed upon the bottles or jugs.

"Laces made of silk or of which silk is the component material of chief value, fifty-five per cent. ad valorem.

"All mineral waters, and all imitations of natural mineral waters, and all artificial mineral waters, not specially provided for in this act,

in green or colored glass bottles containing not more than one pint, twenty cents per dozen; if containing more than one pint, and not more than one quart, twenty-eight cents per dozen bottles, but no separate or additional duties shall be assessed upon the bottles; if imported otherwise than in plain green or colored glass bottles or if imported in such bottles containing more than one quart, twenty cents per gallon, and in addition thereto duty shall be collected on the bottles and other coverings at the same rate as would be charged if imported empty or separately.

"Paintings in oil or water colors, pastels, pen and ink drawings, and statuary, not specially provided for in this act, twenty per cent. ad valorem.

"Sugar, molasses, and other articles, provided for in paragraph 208, of Schedule C of this act, ninety-two per cent. of the duty imposed thereon in said paragraph 208.

"And it further provided that with a view to secure reciprocal trade with countries producing the following articles, whenever and so often as the President shall be satisfied that the government of any country or colony of such government, producing and exporting to the United States coffee, tea, and hides, or any of such articles, imposes duties or other exactions upon the agricultural, manufactured, or other products of the United States, which in view of the free introduction of such coffee, tea, and hides into the United States, he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such coffee, tea and hides, raw or uncured, whether dry, salted, or pickled; Angora goat-skins, raw, without the wool, unmanufactured; asses' skins, raw or unmanufactured, and skins, except sheep-skins, with the wool on, of the products of such country or colony, for such time as he shall deem just; and in such case and during such suspension, duties shall be levied, collected, and paid upon coffee, tea, and hides, the products or exports from such designated country, as follows:

"On coffee, three cents per pound.

"On tea, ten cents per pound.

"Hides, raw or uncured, whether dry, salted, or pickled; Angora goat-skins, raw, without the wool, unmanufactured; asses' skins, raw or unmanufactured; and skins, except sheep-skins, with the wool on, one and one-half cents per pound."

When presenting the bill, Mr. Dingley called attention to the clause relative to reciprocity contained in it. In the report

of the Ways and Means Committee appeared the following explanation of, and eulogy upon, the reciprocity provisions therein submitted:[4]

"The reciprocity policy inaugurated in the tariff of 1890, which proved so great a success in the brief period of its existence, is not only restored, but enlarged. The provisions of the act of 1890, authorizing the President to impose duties on coffee, tea, skins and hides, in case the countries exporting such articles decline to extend equivalent concessions to exports from the United States, are *re-enacted*, sugar being transfered to the schedule of articles upon which duties are imposed.

"The President is further authorized to negotiate with countries exporting argols, chicle, champagne, brandy, sugar, wines, mineral waters, paintings and statuary, and silk laces, with a view to secure reciprocal and equivalent concessions in favor of the products or manufactures of the United States, in which event he is empowered to suspend the duties imposed in the proposed revision, and thereafter such articles imported from any country making such reciprocal concessions shall be admitted at the lower rates of duty provided by this bill.

"It is believed that this extension of the reciprocity policy of the tariff of 1890, strengthened by the tenders of lower duties as a concession in return for equivalent concessions, will result in even more advantageous commercial advantages than those that were secured under the act of 1890."

Thus the issue was at once thrown before the conflicting parties at the outset of the debate in the lower chamber. At once the cudgels were taken up in favor of reciprocity by a group of Republican representatives of moderate tariff views.

The standpoint of the advocates of reciprocity was thus stated by Representative Hopkins:[5]

"What, however, in my opinion, will prove to be the chief glory of the bill, if enacted into law, is the reciprocity principle that was made so prominent a part of the law of 1890. * * * In the present bill the principle of reciprocity has been enlarged and adapted to our commercial relations with France, Germany, Belgium and other European

[4] House Report, No. 1, 55th Congress, 1st session, p. 7.
[5] *Congressional Record*, 55th Congress, 1st session, Vol. 30, p. 133.

countries, as well as Mexico and the Central and South American States."

Mr. Hopkins also found it necessary to apologize for the reaction indicated in the Dingley bill by its failure to retain sugar among the commodities forming subjects of reciprocity. Every man on the floor, of course, knew perfectly well why sugar had practically been omitted. It had grown into a domestic industry of some importance during the seven years that had elapsed since the passage of the McKinley Act, and its producers were no longer willing that it should be used as a pawn in the reciprocity game. Nevertheless, it was necessary to furnish some colorable excuse for its omission. This was done in the following words:[6]

"Sugar is to become one of the great products of this country. * * * We stand for protection first and foremost, and we desire to couple with that the principle of opening foreign markets for our goods, * * * but it would not do at all to take all the duty from sugar, because if we did, Germany would furnish us all the sugar that would be consumed here, and would destroy the industry in this country."

Mr. Hopkins also set forth the general attitude of the reciprocity Republicans in very clear terms:[7]

"Reciprocity is scientific protection and is adapted to our improved commercial conditions and civilization. * * * It has been found to work admirably in [European] countries. It has given them the control of the markets of the world on many of the articles specified in these commercial or reciprocal agreements."

These views as to the probable effects of reciprocity in gaining a foothold for our products in foreign markets, were, of course, sharply antagonized. On behalf of the Democrats Mr. Todd contended:[8]

"An * * * iniquity exists in the so-called 'reciprocity' features of this bill. * * * Who derived any benefit from the practical operation of the reciprocity clause of the McKinley law but the pork-packing, and the beef-packing, the milling and the sugar trusts? The sugar that the Havemeyer trust had bought up in Germany and Cuba

[6] *Ibid.*, p. 134. [7] *Ibid.*, p. 135. [8] *Ibid.*, p. 340.

under the high-protective tariff prior to the arrangements for the reciprocity treaties was thus let in free under such reciprocity, with an advantage of several millions of dollars to that trust, and resulting in driving Mr. Spreckels, their great competitor prior thereto, into the combination; while the pork and beef of the packing trusts were then admitted free, or practically so, into Germany, and the flour of the milling trust into Cuba."

Thus the claim was again made that the gains in our foreign trade, if any, accrued only to privileged classes in this country rather than to the consumer. Some went further, contending in plain terms that McKinley reciprocity had had no perceptible effect in enlarging trade, even along the lines and for the benefit of the classes referred to by Mr. Todd in the extract already quoted.

But there were other speakers who, while apparently confessing the assumed benefits of the reciprocity clause, could not bear to see their political opponents profiting by the acceptance of what they supposed to be Democratic ideas. The notion that the Dingley bill was an effort to steal the Democratic thunder was openly advocated by Mr. Bell, in his speech of the 22d of March:[9]

"Our friends talk as if they had just discovered reciprocity. Why, sir, it has been a principle of every political party. It is as old as the first tariff act. * * * I want to know whether our friends on the other side want reciprocity now, or is this principle to be perverted for the purpose of letting some sugar monopoly of Cuba or Hawaii get their sugar into this country for the benefit of the monopoly? It may be that we shall have to wait to see what this reciprocity means. * * * When the Democrats put an article on the free list, the Republican party shouts 'Democratic free trade,' while at the same time, when the Republican wants to put it on the free list, he has a little scheme which he calls 'reciprocity,' but which is simple free trade in its most cunning form under another name, under which the Republicans sometimes even bribe other countries to join in free trade with us."

So, also, Mr. Talbert[10] contended that:

"Our Republican brethren say that they will pry open the foreign

[9] *Ibid.*, p. 137.

[10] *Ibid.*, pp. 268-9.

markets by their 'reciprocity' provision. * * * So, after all, the great Republican party is trying to steal our Democratic ideas away from us by calling it by a different name. They are trying to take our free trade robe off of us, and don it themselves and parade it before the country as 'reciprocity.'"

A good many members, however, recognized that the Dingley clause was inadequate to the attainment of even the results aimed at by its author. There was a clear expression of opinion to the effect that the provisions of the bill were far from being as satisfactory as those of the McKinley Act, inasmuch as they did not hold out sufficient inducements to foreign countries to enter into trade agreements with us.

As Mr. Kerr [11] described the situation apropos of an amendment in which he sought to secure the re-enactment of the reciprocity clause of the law of 1890:

"The inducement in this bill is not only insufficient, wholly insufficient, but so far short of a fair equivalent of what we must ask as to require a nation to treat with us to be without dignity or sense.

"Let us rather adopt the McKinley plan. * * * Instead of offering to remit duty, let us propose to put it on, unless unreasonable, excessive and unequal exactions upon our products are removed. * * * Can we say to France, with any hope of consideration, 'you remit sixty per cent. of your duty on American flour, and we will remit eight per cent. of our duty on your silk laces, and twenty-five per cent. of our duty on champagne?' Can we say to Germany, with her thousand grist mills, 'you reduce your duty on American flour sixty-six per cent., and we will reduce our duty on mineral waters thirty-three per cent. and on beet sugar eight per cent.?' Can we say to Spain regarding Cuba, 'reduce your duty on American flour three hundred per cent. in consideration that we throw off eight per cent. on sugar?'"

This plea for retaliatory reciprocity on the McKinley plan was both logical and in accord with the current usage of European countries. It was logical because it involved a less outlay of time and strength in negotiation, and because it put the tariff threat which lay at the root of the reciprocity idea, as then advocated, in a clear and perfectly distinct form. It

[11] *Ibid.*, pp. 254-5.

was in harmony with existing usage, because it represented the notions at the bottom, for example, of the French minimum and maximum system carried to their logical outcome. Yet, by 1897, the interests which thought themselves likely to be attacked by reciprocity had already developed too far to permit of the readoption of the McKinley provisions.

Some Democrats were reduced to rather amusing straits in their arguments against reciprocity as a policy. In many instances they failed to combat the proposed plan upon obvious grounds and resorted to various arguments of more than questionable validity. Thus Mr. Cochran, of Missouri, on the 23d of March, in reply to certain Republican advocates of the Dingley bill, remarked:[12]

"You propose to give us reciprocity. Reciprocity with whom? The McKinley law gave us reciprocity, not with the great states of Europe, that consume the surplus agricultural products of this country, but with some of the Spanish-American countries, and with some of the small islands adjacent to our coast. What did we send to the Spanish-American republics? Agricultural implements and farm machinery, to be used in developing their wheat fields that are now competing with our own. Who was benefited by these reciprocity treaties? The same trusts and combines that were benefited by other features of the McKinley bill * * * and will be further benefited by the passage of the bill now under consideration."

However, the idea thus rather crudely put—that reciprocity, while hypocritically pretending to favor the farmer, was really devised merely with a view to opening markets for manufactures, was very widely held among the members who opposed the Dingley law. While the trust problem had not then been given the attention which it later received, it was already coming into notice, and the rather severe straits to which the farmer had been reduced, after the commercial troubles which followed the crisis of 1893, had again put him in the position of chronic sufferer, so much heralded by his friends and apologists in Congress. The operation of the McKinley treaties, although their

[12] *Ibid.*, p. 199.

duration had not been great in point of time, had been quite enough to show that reciprocity, as then provided for, had no effect whatever on our exports of unmanufactured cereals. It had demonstrated that those countries which needed the products of our farms would get them without effort on our part to force open their markets, while it had shown on the other hand that the results, if any, to be attributed to reciprocity were to be observed in our exports of manufactured goods.

One thing which tended to bear out the notion vaguely hinted at by Mr. Cochran in the speech already quoted, was the consciousness that the basis of reciprocity had actually changed. Mr. Cochran's way of noting this feature of the case was to say that under the McKinley Act our manufacturers had been aided in exporting the farm machinery, and that this was now used in building up a wheat trade in South America, which effectually destroyed the chance of gaining a foothold for our millers in Brazilian and other markets. Behind this dim suggestion, however, was the well known fact that the development of the Argentine wheat fields had actually given us a serious competitor in grain, not only in South America, but in the world market. The bearing of this fact on the feasibility of any further effort to control South American trade in cereals was clearly indicated by Mr. Adams on the 24th of March:[13]

"We are acceding to the requests from the millers, the agriculturists and the manufacturers of this country, and we are restoring that [reciprocity with South America]; although I regret to say that I fear the opportunity and advantage contained in the reciprocity clause of 1890 is lost."

Mr. Adams went on to show that the chance of a flour trade with Brazil had been sacrificed by the free admission of Argentine wheat into that country and the erection of mills there, while the Cuban trade had been sacrificed because of the

[13] *Ibid.*, p. 241.

strained nature of the relations between Spain and the United States. In spite of the recognition of this fundamental factor in the situation, Mr. Adams and those whom he represented apparently thought it worth while to persevere in the attempt to reconquer the South American trade, for he highly praised the results of the McKinley bill and deplored the alleged falling off in our exports to those countries after the passage of the tariff act of 1894.

The belief that this trade could be regained was likewise expressed by numerous others who admitted that it appeared for the time being to have been lost. Thus, Mr. Hopkins, already cited as a strong advocate of the reciprocity policy, expressed his views on the Brazilian situation as follows:

"Why should not Brazil come to the United States for the flour and wheat and other products consumed by her people, instead of going to Europe or the Argentine Republic? * * * but if it is once established that trade must be reciprocal and that coffee, hides, etc., will not be permitted to enter the markets of this country free, unless concessions are extended to the farm and other products of this country" there will be no difficulty in extorting a reciprocity agreement without delay.[14]

The idea of limiting our reciprocity negotiations largely to South American, and to some unimportant European, products, even though leaving also a certain possibility for manufacturing reciprocity (to be ratified by Congress should that body see fit) was not wholly satisfactory to certain leading Republicans. These men came from districts that felt the need of the cheap raw materials which might be obtained by a proper application of the reciprocity principle, or which had an abundance of such material for which a market was needed. Thus Mr. Grosvenor, of Ohio, stated on the 30th of March [15] that:

"What I believe is just and right is an adjustment of the tariffs between the Dominion of Canada and the United States of America, that would reciprocate between the United States and that section of the Do-

[14] *Ibid.*, p. 135.

[15] *Ibid.*, p. 511.

minion that produces no coal and maintain a legitimate and fair tariff in that section where the Nova Scotia coal becomes a competitor. It is to the interest of Canada to buy our coal all along the border line of Ontario. * * * If we can have a liberal concession from Canada in respect to the coal that goes into that section of Canada which produces no coal in competition, there is no objection to it, and we will all favor it; but I will not consent to make concessions all on our side, while they hold on to the substance on the other side."

This idea of reciprocity, however, found comparatively little favor on the floor, for the coal and other producing interests of the East were altogether too strong to make any such notion practical, however much it might be advocated by Western mine owners.

There were a certain number of Representatives who objected to reciprocity on the old ground that it was likely to infringe upon the prerogatives of the House should power be granted to the Executive to negotiate tariff treaties involving reductions of the duties fixed in the lower chamber. A considerable party still clung to the idea that reciprocity ought to to be secured by concurrent legislation rather than by treaty. This notion was also used by Democratic members in opposition to the incorporation of the reciprocity clause into the bill. Others even went to the opposite extreme. Thus Representative W. A. Smith boldly stated on the 31st of March:[16]

"Mr. Chairman, I do not wholly agree with the Committee on Ways and Means upon the reciprocity clause in this bill. * * * The President of the United States should have full and absolute power to enter upon such negotiations with European countries as will give us back the fifteen commercial treaties that were so cruelly destroyed by the Democratic party under the Wilson bill."

Later, Mr. Smith, in speaking of the extended adoption of the reciprocity policy, further exclaimed:

"In the face of this world-wide effort on the part of the most advanced nations [reciprocity negotiations] * * * how short-sighted and unjustifiable seems the policy of the Democratic party." [in opposing the reciprocity clause]!

[16] *Ibid.*, p. 545.

—a sentiment which, while doubtless comprehensible from the standpoint of political exigency, sounds strangely enough in view of Mr. Smith's opposition to Cuban reciprocity during the session of 1901-1902.

The debate in the House had thus been fragmentary and inconclusive. This, indeed, was a necessary consequence of the fact that so little time had been afforded for discussion. In the Senate, moreover, it appeared that there might be little or no debate on the reciprocity provision. The Senate Finance Committee, to which the Dingley bill had gone, suggested that the reciprocity provision of the House should be eliminated, and left the matter open for further discussion. The situation was very clearly explained by Senator Aldrich who, on May 25, said:

> It is the purpose of the Committee to prepare a provision which will enable the government of the United States, within certain fixed limits and without further legislative action, to enter upon arrangements or to negotiate reciprocity treaties looking to an extension of our foreign trade. "In suggesting the striking out of the House provision, the Committee had no purpose of abandoning the Republican reciprocity policy. * * * It seemed to them that the provisions of the House bill in this respect would not prove effective."[17]

This reciprocity provision was, however, a long time in taking shape. On June 30, Senator Allison offered an amendment in lieu of the reciprocity provisions adopted by the House. That amendment gave the President full power in the negotiation of reciprocal agreements with other countries, but specified that their final ratification must depend upon the consent of the Senate. The President was to negotiate, within two years after the passage of the bill, reciprocity treaties which should be effective for at least five years. In these negotiations he was not limited to any particular list of enumerated articles, but he was authorized to transfer from the dutiable to the free list such articles as were the natural products of the country

[17] *Congressional Record*, 55th Congress, 1st session, Vol. 30, p. 1233.

with which the treaty was made, or to reduce the rates of duty on other articles imported from that country to a maximum extent of twenty per cent. or less.[18]

Even under these circumstances and at that late date, the reciprocity debate did not at once open. On the 2d of July, however, a finance committee amendment was brought up and passed, by which the House reciprocity section was stricken out, and in lieu thereof was enacted a retaliatory reciprocity provision. In this the Secretary of the Treasury was ordered to ascertain the amount of the bounties or grants paid by foreign countries upon exports to the United States and to increase the duty on such articles to a corresponding amount when these articles were imported by us.[19] Thus was reached a *reductio ad absurdum* in the reciprocity matter. After a struggle of more than fifteen years, reciprocity had now been lopped and pruned until nothing was left save a bare threat—a threat to impose retaliatory duties upon the goods of all countries which encouraged exports to the United States. This amendment as finally passed became section five of the Dingley Act. It was, however, perfectly apparent that to leave the reciprocity problem at this point, and to do nothing in the way of redeeming the Republican pledge, would lay the party open to charges of the most serious nature. The amendment had scarcely been adopted, therefore, when the other amendment proposed by Senator Allison on the 30th of June, as already described, was called up. On that same day the real reciprocity debate was undertaken in the Senate apropos of the Allison amendment.

It will be observed that what was done by the Allison amendment was to carry out the policy, so highly favored during the McKinley administration, of "leaving everything to the President." Of course, in this instance, Congress retained the right to nullify the President's action by refusing

[18] *Ibid.*, p. 2152.

[19] *Ibid.*, pp. 2202-6.

to ratify any treaties he might negotiate, while it furthermore failed to bestow any new power, and simply limited the power of negotiation previously enjoyed by the Executive, whether rightly or wrongly, since it cut to twenty per cent. the concessions which might, under any circumstances, be offered by him. It amounted to nothing whatever save a vague promise that perhaps at some time in the future something might be done, if the President should see fit and if the Senate did not object. Of course, with such an amendment there could be little genuine debate on the tariff question, save in so far as related to the wisdom of striking out the House provision for the sake of inserting the new clause. Yet even to this problem the different parties did not vigorously address themselves. The Democrats felt no interest in reciprocity, and word had been passed down the line among the Senate Republicans that the less said the better. It was a contest of indifference and of inactivity, the only question apparently being whether to leave out the amendment or not. The main attack on the Allison suggestion was led by Senator Vest, who had already proved himself something of a veteran in reciprocity debates. On the same day that the subject was first taken up (July 2) Senator Vest restated the classical argument against reciprocity: [20]

"We are attempting to fight successfully against the immutable laws of commerce and of nature. We are attempting to secure trade with South American countries by reciprocal treaties, when we have no carrying trade, when our commercial travellers are not amongst those people seeking to know what they want and then fashioning our goods to suit those wants."

The question of the President's right to negotiate such treaties also received its measure of criticism from the same speaker: [21]

"I never believed that Congress had the right to delegate the treaty-making power to the Executive. I would advance that opinion

[20] *Ibid.*, p. 2230.

[21] *Ibid.*, p. 2227.

with some diffidence but for the very high Republican authority and legal authority that sustains me in that position."

This latter contention was also supported by Mr. Lindsay who sharply argued that:[22]

"The constitution gives no such power to the President, by and with the advice and consent of the Senate. * * * If that authority can exist at all, it must exist in virtue of this act of the Congress of the United States; and if it be a power that can be enforced at all it will rest upon an abdication, during the term of five years, by the two Houses of Congress of the right to legislate upon these subjects of taxation."

Senator Teller likewise sustained the same view.[23]

Even those who believed that there was no objection to the grant of such authority to the Executive, saw clearly enough that it was absolutely unnecessary to incorporate this provision into an act.

"The Senate and the President," said Senator White,[24] "acting pursuant to the treaty-making power prescribed by the constitution, obtain from that instrument their authority, and from that instrument alone; and hence, if the constitution itself fails to give to the President and the Senate, acting pursuant to the treaty-making power, the authority to fix these duties, this act is absolutely void. But if the constitution does confer that authority, this act is absolutely unnecessary."

Perhaps the most rational argument in favor of the proposed amendment was furnished by Senator Chandler, who contended that inasmuch as many European countries gave to their executives authority to negotiate changes in the tariff laws of those countries, it might be well for us to provide by law for a grant of authority which would operate as a sort of mandate or, at least, suggestion to the President that he should take steps for the adjustment of our tariff system to those of other nations, and should thereby secure for us the benefit of the minimum rates in those countries where two schedules existed, at the same time gaining certain more ad-

[22] *Ibid.*, p. 2230. [23] *Ibid.*, p. 2235. [24] *Ibid.*, p. 2238.

vantageous concessions, which would tend to increase our trade wherever possible.[25]

Enthusiasm or spirit in the debate was, on the whole, utterly wanting, and Senator Stewart gave it a spice of eccentricity by expressing grave doubts as to the expediency of any treaty whatever, and advocating the abrogation of all existing agreements after a year's notice.[26]

On the same day upon which the Allison amendment had been presented, it was adopted by a vote of 30 to 18, several Democrats voting in its favor. When the bill went to conference many Republicans boldly stated their opinion that no such weak equivocation as the Allison amendment would suffice. On the other hand, it was felt that even the provisions of the House reciprocity clause were unworthy unless greatly extended. It was thought, however, that by reinserting the House provisions and then eking them out with the Allison amendment, enough would have been done. The House and Senate plans for reciprocity were, therefore, combined with sundry modifications. It was, for instance, specified that future treaties were to be approved, not by the Senate but by "Congress," before going into effect. Moreover, most of the important commodities included in the House reciprocity clause were stricken out. Chicle, silk laces, sugar, mineral waters and hides were rudely torn from the list, which thus contained little or nothing of any importance. In the search for some commodity which might be used to fill up and make an imposing appearance, the fertile imaginations of the men at work upon the bill finally hit upon tonka and vanilla beans as articles whose importation would injure nobody with influence in this country and they were added to the list.

When the amended bill was thus reported back to the respective Houses in its revised form the reciprocity section received little or no attention. In the Senate a few scattering

[25] *Ibid.*, p. 2237.

[26] *Ibid.*, p. 2227.

remarks were made by Senators Allison, White and others, who merely reiterated in substance what they had already said when the topic was under discussion at first.[27] In the House, likewise the debate was of little consequence. The revised reciprocity clause went through without further change, and made its appearance as sections three and four of the Dingley Act.

The passage of the Dingley Act found us face to face with difficult tariff conditions in France, Germany and other continental countries. For a long time our tariff policy had proved deeply distasteful to Europeans who held that since they afforded a market for our agricultural products, a certain obligation was imposed upon us to suffer their manufactured goods to enter this country without any excessive restrictions or impediments. In consequence of the general dissatisfaction with American methods and American commercial policy, general conditions had grown up which rendered it more and more difficult for us to break into the markets fenced off by highly protective duties.[28]

In Chapter I it was shown how, after 1890, a new tariff system had begun to make large headway in Europe. This was the so-called "maximum and minimum system" which is now to be found in France, Russia, Spain, Greece and Norway. On this side of the ocean it has also been adopted

---

[27] *Ibid.*, p. 2797.

[28] The situation which was produced by the passage of the Dingley bill was well stated by Mr. Kasson at a later date in the following words. (Papers relating to reciprocity with France, 56th Congress, 1st session. Executive N. printed in confidence for use of the Senate, p. 1.)

"After the passage of the Dingley bill the State Department sent copies of it to our various legations and embassies abroad for communication to the various governments to which they were accredited. No more than this had been done at the time the President charged me with the duty of negotiating these conventions and these foreign governments seemed to have given no attention to it.

"The condition of commercial feeling in Europe, as I found very soon after undertaking these duties, was exceedingly hostile to the United States. The Dingley bill had produced an effect all over the continent of Europe of exasperation throughout the commercial world, and among the governments as well, to such an extent that one high officer—the Premier of the Austro-Hungarian Government—had openly proposed a union of official action against the United States commerce as their only means of protecting their own commercial interests. In that state of feeling, at first, there seemed no disposition anywhere on the continent of Europe or in the Governments of South America to take any steps under the reciprocity clauses of the bill."

by Brazil. The French system had gone into effect January 11, 1896, its fundamental idea being the grant of authority to the legislature to establish certain limits within which tariff rates might be shifted according to the judgment of the Executive authority, but below which no reduction should be permitted. In other words, it was designed by this system to guarantee to the French producer a certain maximum rate to be enforced by the Executive in case no concessions to French goods were made by foreign countries, the difference between the minimum and maximum rates serving as a margin within which bargaining could take place for the purpose of buying or brow-beating other countries into suitable commercial agreements. The difference between the two rates is at present about twenty-five per cent. In other words, the minimum duty on a given article might be seventy-five per cent. ad valorem, while the maximum would be 100 per cent. At the time of the passage of the act, the Executive received authority to grant a minimum tariff to all countries which had given French commodities the treatment accorded to the most favored nation. Inasmuch as practically all the countries had already adopted this policy, the only ones subjected to the maximum tariff were Portugal and the United States, and even in our own case the full burden of the maximum was not thrown upon us. Enough, however, was done in this direction to subject our commerce to an exceedingly unpleasant discrimination.

Distinguished from this tariff method appeared a plan pursued by Germany. As France now constitutes the leader of a group of European states pursuing the same tariff policy, so Germany stands at the head of another group with an independent system of its own. In this group are included Germany, Austria, Italy, Switzerland and Belgium, which, late in 1891, entered into agreements whereby the commercial treaty system of the middle European states was formed. A system of commercial treaties was entered into with the object of

uniting this group of treaties into a sort of customs union. The new arrangement was to last for twelve years, and the system of treaties was known as the "December treaties." In this way Germany placed her foreign commercial policy upon a strictly treaty basis, leaving it to her executive officers to make as good bargains in her behalf as they conveniently could, subsequently ratifying the treaties through the legislative body. Under the German system of agreements, therefore, it was clear that the United States would be shut out from the enjoyment of any "most favored nation" provisions which it did not itself grant, while under the French we were forced to bargain as best we could for trade concessions.

Shortly after the passage of the Dingley Act it became apparent that President McKinley intended to urge forward the work of negotiating reciprocity treaties as rapidly as might be practicable. It was evident from the outset that some special machinery would be helpful, if not necessary, in case the negotiations were to be pushed with success in many quarters. Therefore, it was deemed best by President McKinley to appoint a "reciprocity commission." Mr. McKinley had already taken up the "commission idea," which had been the favorite suggestion of certain political economists for a good while past, and had used it to good effect in more than one way. In the case of the Dingley reciprocity section, however, it would seem that the commission was not intended to postpone action and mislead public opinion, but was designed to facilitate the actual work of investigating the tariffs of other countries, and the negotiation of treaties for the purpose of improving our relations with such countries. Pursuant to this idea President McKinley, acting upon the general power vested in him, and not upon any authority particularly delegated by Congress, appointed the Hon. John A. Kasson, of Iowa, a Special Commissioner for the negotiation of reciprocity treaties. Offices and a suitable personnel, known as the Reciprocity Commission, were established in the Department of State. The

appointment was made on the 13th of October, 1897, and Mr. Kasson continued in charge of the work until March 4, 1901, when he resigned, his resignation becoming effective on the 19th of the following April. The commission, however, still continued its work, so far as there was anything for it to do, under the direction of the Secretary of State.

Why it was that Mr. Kasson no longer continued in charge of the Commission will be seen at a later point.[29]

As we have seen, three kinds of reciprocity had been provided for under the Dingley Act. With European countries it was possible to negotiate and to directly proclaim treaties founded upon concessions to them in argols or crude tartar or wine lees, brandies, still wines, paintings, statuary, and one or two other articles. With the South American countries (or of any others having similar productions) it was possible

[29] The *Washington Post*, October 15, 1897, gave an interesting account of the appointment of the reciprocity Commission:

"The President has decided to appoint a special commissioner, with plenary powers, to carry into effect the reciprocity provisions of sections 3 and 4 of the tariff act, approved July 24, 1897. It was found upon making an investigation of the matter that the regular force of the Department of State is at present so overcrowded with pressing business, that serious delay in carrying out the expressed wish of Congress would inevitably follow, if, in addition to the usual routine work of the department, its officers were required to perform the special examinations and negotiations essential to carry forward the will of Congress as expressed in the sections above referred to. Moreover the pressure for early and consistent action in the arrangement of measures of reciprocity has been very great from foreign countries, as well as from our own citizens. * * * In view of these facts, the President has designated the Hon. John A. Kasson, of Iowa, as such Special Commissioner, with Mr. Chapman Coleman, of Kentucky, as Secretary, and Mr. John Ball Osborne, of Scranton, Pa., as Assistant Secretary. * * * Mr. Kasson was * * * Minister to Austria from June 11, 1877, to May, 1881; Minister to Germany from July 4, 1884, to March, 1885. He was also one of the Commissioners to represent the government of the United States at the conference held in Berlin concerning Samoan affairs and is one of the signatories of the Berlin General Act, concluded June 14th, 1889. He was then commissioned as Special Envoy Extraordinary and Minister Plenipotentiary, his commission bearing date March 18, 1889. Preceding his diplomatic service, Mr. Kasson was for many years a member of the Ways and Means Committee of the House of Representatives, and in that place became thoroughly familiar with all aspects of the tariff question, and the debates on that subject.

"Mr. Coleman has also been connected with the diplomatic service of this government. For a number of years he was Secretary of the United States Embassy at Berlin, where he entered the service as Second Secretary. He is a deep student of economic questions, and a linguist of more than average ability. * * * He was strongly recommended to the President for appointment as Consul-General at Berlin. Because of his experience he is expected to render valuable service to Mr. Kasson in dealing with these important negotiations.

"Mr. Osborne hails, as has been stated, from Scranton, Pa., and has also studied the subjects that will necessarily arise in considering the questions covered by sections 3 and 4 of the tariff law. His father, it is understood, is a warm personal friend of the President, but is neither directly nor collaterally connected with him."

to negotiate and proclaim treaties based on concessions in tea, coffee, and tonka and vanilla beans. Beyond these it was necessary that reciprocity treaties should have the consent of Congress. Pursuant to the authority vested in the President under section 3, which included the first two kinds of reciprocity already specified, treaties were negotiated and proclaimed with France, Portugal, Germany and Italy. Later, an arrangement which came about in an exceptional way, was entered into with Switzerland. No agreements were made and proclaimed under the second paragraph of section 3, intended to apply to the South American countries. Only in the case of Portugal, whose agreement included the Azores and Madeira Islands, were there any stipulations with regard to the tropical products intended as a basis for reciprocity with South American or other tropical or semi-tropical countries. Of the treaties negotiated under section 4, and requiring special ratification by the Senate, more will be said later.

A comparatively brief review will suffice to furnish the essential facts concerning the treaties of the first kind, negotiated with European countries under section 3 of the act. The treaty with France was proclaimed by President McKinley on May 30, 1898, and became operative on June 1st of the same year.[30] In return for the concessions on argols, brandies, still wines, paintings, etc., provided for in the act, we gained the minimum rate of duty under the French maximum and minimum system on canned meats, fresh and dried fruits, common lumber, lard and a few other commodities. This minimum rate implied a reduction in duty on the articles in question, varying from fifteen to twenty per cent. With Germany, a commercial agreement was entered into whereby, in return for the concessions provided for in the act, we were given certain advantages under the conventional tariff of the country.[31] The treaty was proclaimed by the President July

[30] "United States Statutes at Large," 56th Congress, 1899-1901, Vol. 30, pp. 1775-76, or App.
[31] *Ibid.*, Vol. 31, pp. 1978-79.

13, 1900. With Portugal [32] in return for the concessions of the act, we received duties as low as those accorded to any other country (except Spain and Brazil) upon all flour (except wheat flour), agricultural implements, general machinery, mineral oils and pitch. It was further specified that the duties on these articles should, under no circumstances, exceed certain specified maximums. By an additional article, it was undertaken that, in case the United States should, at any time, impose a duty upon crude cork or coffee, or should give more favorable treatment to the concessionary articles when imported from some other country than from Portugal, the latter country should have the right to terminate the treaty upon three months notification. With Italy, a treaty was negotiated and put into effect July 18, 1900,[33] by which in return for the usual concessions we gained free admission to that country for turpentine, natural fertilizers and hides and skins, while we received material reductions in duty upon our cotton seed oil, preserved fish, agricutural machinery, scientific instruments, sewing machines and electrical machines.

In addition to the treaties already described, it is customary also to enumerate as one of the results of the Dingley Act, a so-called treaty with Switzerland. No agreement had been negotiated with that country, and the acceptance of reciprocity relations with it, if such they could be called, was a curious diplomatic incident. After the Dingley Act had been passed, the claim was made by Switzerland that a treaty of commerce signed with the United States November 25, 1850, entitled her products to the same rates as those of France, under the reciprocity treaty with the latter country. As we have seen, the French reciprocity treaty had gone into effect June 1, 1898. The claim of Switzerland was acknowledged by the Secretary of State, and a ruling in accordance therewith was issued by the Secretary of the Treasury to customs officers.

[32] *Ibid.*, pp. 1974-75.

[33] *Ibid.*, pp. 1979-80.

In March, 1900, however, these clauses of the old treaty of 1850 were renounced by the United States, and Swiss products were charged the same duties as those of other countries.[34]

It may be considered somewhat strange that we had thus, in the case of Switzerland, receded from our traditional attitude in regard to the most favored nation clause as it had been laid down by a long line of statesmen. This was due to the

[34] The clauses of the treaty of 1850, to which reference is made above, are found in the Convention of Friendship, Commerce and Extradition with Switzerland, concluded November 25, 1850, and proclaimed November 9, 1855. ("Treaties and Conventions of United States, 1776-1887," Washington, 1889, p. 1075.) They read as follows:

"Art. VIII. In all that relates to the importation, exportation, and transit of their respective products, the United States of America and the Swiss Confederation shall treat each other, reciprocally, as the most-favored-nation, union of nations, State, or society, as is explained in the following articles.

"Art. IX. Neither of the contracting parties shall impose any higher or other duties upon the importation, exportation, or transit of the natural or industrial products of the other, than are or shall be payable upon the like articles, being the produce of any other country, not embraced within its present limits.

"Art. X. In order the more effectually to attain the object contemplated in Article VIII., each of the contracting parties hereby engages not to grant any favor in commerce to any nation, union of nations, State, or society, which shall not immediately be enjoyed by the other party.

"Art. XI. Should one of the contracting parties impose differential duties upon the products of any nation, the other party shall be at liberty to determine the manner of establishing the origin of its own products, destined to enter the country by which the differential duties are imposed."

Secretary Gage promulgated the news of the concessions to Swiss products in the following circular (T. D. 20,386) under date of December 5, 1898:

"To collectors and other officers of the Customs:

"This Department having been advised by the Secretary of State that it was understood by the contracting parties that Articles VIII. to XII. of the treaty, dated November 25, 1850, between Switzerland and the United States secured to the products of the respective nations the benefit of the lowest rates of duty which either should thereafter grant, by treaty or otherwise, to any other country, you are hereby authorized and directed to impose and collect on the products of Switzerland exported to the United States from that country, similar to those enumerated in the reciprocal commercial arrangements made with France and proclaimed on May 30, 1898, in pursuance of section 3 of the tariff act of July 24, 1897, the rates of duty imposed and collected on such merchandise imported from France under said reciprocal arrangement.

"All entries of such products imported from Switzerland on and after June 1, 1898, which have been otherwise liquidated, will be reliquidated in accordance with the above ruling."

Assistant Secretary Spaulding, in 1900, terminated the treaty by the following circular (T. D. 22092):

"To collectors and other officers of the customs:

"This Department had been advised, under date of the 16th instant, by the Secretary of State, that the concessions made to France in the reciprocal commercial arrangement of May 28, 1898, under section 3 of the tariff act of July 24, 1897, will cease on March 23, 1900, to be applicable to like articles of Swiss origin, in consequence of the denunciation by the United States of the clauses in the treaty of 1850 with Switzerland, which secured to the products of the respective nations the benefit of the lowest rates of duty which either should thereafter grant, by treaty or otherwise, to any other country. You are therefore hereby authorized to assess regular duties on merchandise imported from Switzerland on and after March 24, 1900—*i.e.*, the rates of duty which were imposed and collected on such importations prior to the Department's decision of December 5, 1898 (T. D. 20386), which is revoked accordingly."

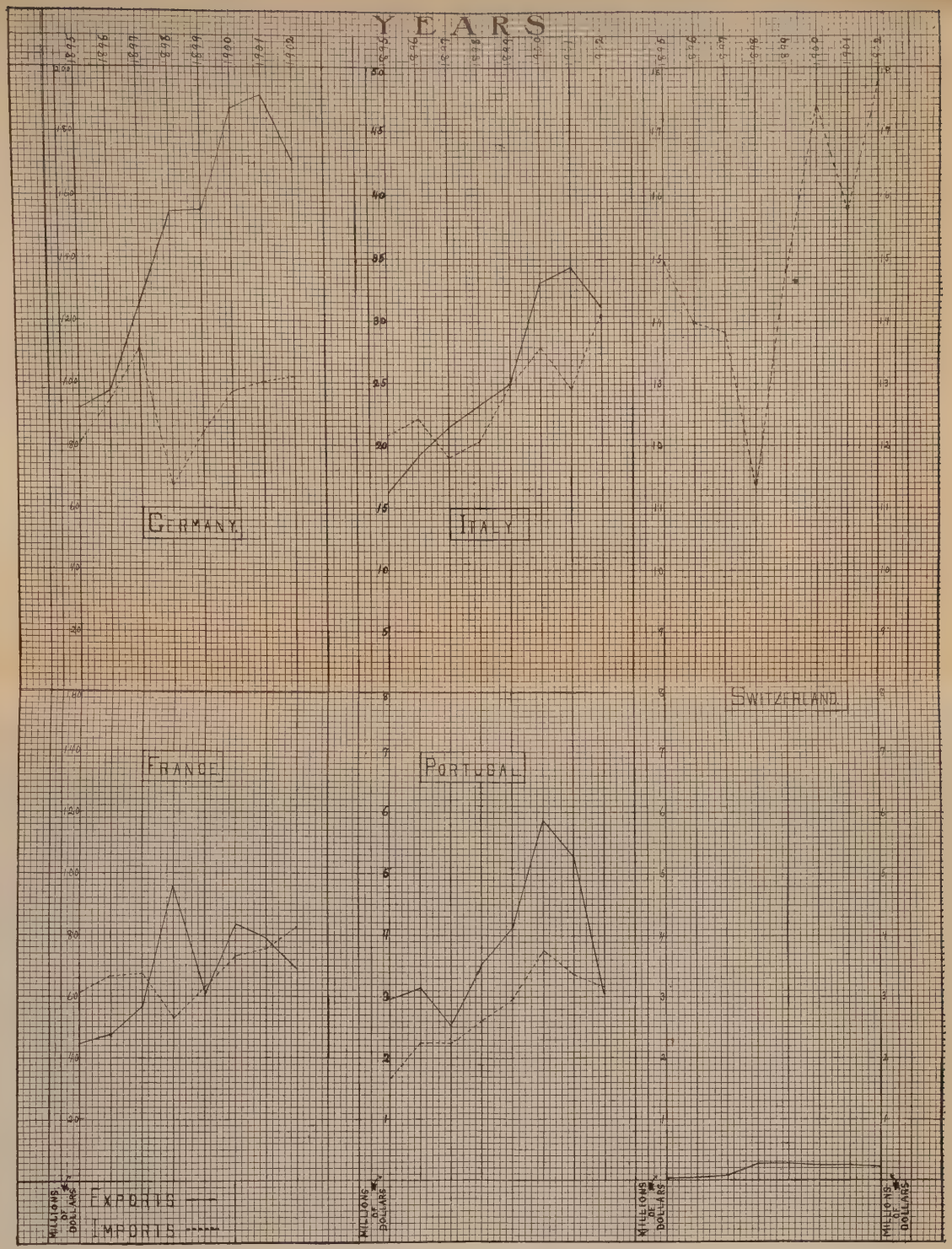

YEARS
GERMANY
ITALY
SWITZERLAND
FRANCE
PORTUGAL
EXPORTS
IMPORTS
MILLIONS OF DOLLARS

Chart V.

peculiar wording of the favored nation clause as contained in the original Swiss treaties, which practically compelled us to grant the concessions demanded. As already shown in Chapter I, there are different forms of the favored nation clause, and the interpretation to be given that clause must depend in a measure upon the wording it contains.

On the treaties whose negotiation has thus been described, our judgment of Dingley reciprocity must ultimately rest, for no others were ever negotiated under it. In the following chart the course of trade (exports and imports) between the United States and the reciprocity countries has been traced. In the case of Switzerland it should be noted that the exceedingly small figures for exports, as compared with imports, are to be attributed to the fact that the statistics here used are based on the returns of the Treasury Bureau of Statistics at Washington, which acknowledges that it classifies exports to Switzerland passing in bond through France, as exports to France, so that the line representing Swiss exports on the accompanying chart cannot be considered representative.

Turning our attention to the French treaty which, as well as that with Switzerland, were the first to go into effect (June 1, 1898) it appears that from 1895 to 1902 there was a distinct and continuous growth in our imports, while, as regards exports, there has been at times a much larger increase followed by a similarly heavy falling off. All in all, however, the gross increase in our exports to France is as large as, or larger than the increase in our gross imports from that country. Imports were $61,580,509 in 1895, $67,530,231 in 1897, suffered a slight falling off in 1898, when they were only $52,730,848, and thereafter recovered rapidly, reaching $75,458,739 in 1901, and $82,880,036 in 1902. Exports rose from $45,149,137 to $95,459,290 in 1898, but declined heavily in 1899 to $60,596,899. They later recovered, reaching $71-512,984 in 1902, though they had in the meantime gone even higher and then suffered a slight setback. In the case

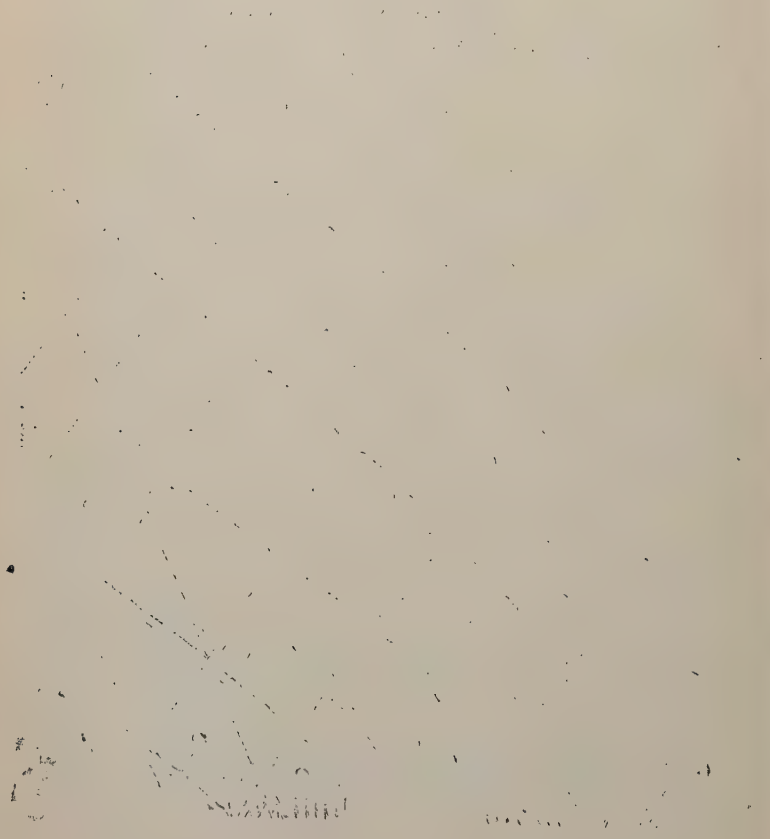
of Italy, the situation already described was almost reversed. Both exports and imports show material growth, as they did in France, but of the two, exports grew more rapidly and more extensively. Imports increased from $20,851,761 in 1895 to $24,618,384 in 1901 and then jumped to $30,554,931 in the following year. Exports, however, grew from $16,363,125, and without a break increased to $34,473,189 in 1901. A slight reaction occurred in 1902 when they fell to $31,388,135. The chart shows the fluctuations in this trade and its continuous growth. Trade with Germany was less steady and the lines on the chart, therefore, show much greater fluctuations. In 1895 we exported to Germany $92,053,753, and we imported $81,014,065 from that country. The export trade has grown steadily and continuously, with minor setbacks, ever since. The import trade declined heavily in 1898, but has shown steady recovery since the adoption of the reciprocity treaty in 1900. In 1902 our exports were $173,148,280, our imports $101,997,523. With Portugal trade increased after 1895, but since the adoption of the reciprocity treaty in 1900, both exports and imports have shown a curious tendency to decline. Exports to Portugal were $2,971,396 in 1895 and imports, in the same year, were $1,690,668. For the year 1899, just before the negotiation of the reciprocity treaty, they were $4,132,400 and $2,975,504 respectively. The reciprocity treaty was negotiated during the fiscal year 1900, but not in time to produce any effect upon the figures for that period. A large increase continues to be noted for 1900, exports rising to $5,886,542, and imports to $3,743,216. This growth was not maintained during the first year (1901), after the adoption of the reciprocity treaty, for both exports and imports then noticeably declined. For 1902 they have suffered a marked falling off, exports now standing at $3,045,651 and imports at $3,179,449. Of Switzerland nothing needs to be said concerning exports, inasmuch as the figures are vitiated in the way already described. Nor is much to be

learned, either, from imports except that there has been a marked and fairly steady growth in them since 1898, when the treaty was negotiated. The fluctuations appear in a somewhat exaggerated form on the accompanying chart, owing to the difficulty of getting a scale large enough to permit of the graphic representation of exports thereon.

On the whole, the student of the charts and statistics herewith presented must conclude that, since the reciprocity treaties were negotiated, there has been a marked and gratifying increase, subject to exceptions in a few instances, both in exports and imports. One who should reason after the usual fashion of some politicians would be justified in saying that this increase was due to the treaties under which we were then operating. The *post hoc propter hoc* argument has here a splendid opportunity for exploitation. But it will scarcely suffice for our purposes to rest content with that argument. The fact is that the past few years have witnessed an enormous general growth in our exports and imports to and from all countries. The latter appears plainly enough in the swelling tide of customs duties rolling into the Treasury. The former is made plain by the fears of European producers concerning the American invasion of their markets and the activity of all forms of manufacturing industry in the United States. It is undeniably true that the general growth of our exports to all countries has been proportionately as great as, or greater than, the growth in exports to the reciprocity countries. An investigation of the statistics of trade in the articles covered by the reciprocity treaties under the Dingley Act shows, however, that there was doubtless a certain effect to be attributed to the operation of the treaties. Yet, when all allowances have been made, it cannot be said that the reciprocity treaties have really been as important as might be judged from the attention they have elicited.

When we turn to the working of section four, by which it was provided that treaties might be negotiated by the President,

and then submitted to the Senate for ratification, an entirely different range of problems is at once raised. With the treaties under section three are involved only economic questions relating to the actual facts of our exports and imports. With the treaties negotiated under section four, none of which has thus far been ratified, only political problems are presented for discussion. These will be taken up in the following chapter.



CHAPTER X

THE KASSON TREATIES.

It was, of course, not with regard to the treaties which the President had been permitted by the Dingley Act to proclaim that the contest over Dingley reciprocity arose. The provisions of the act had settled the case so far as concerned these particular treaties. The struggle for reciprocity, in so far as related to them, was concluded. The real battle was to come when treaties negotiated under the later clause of the Dingley Act, and covering a variety of articles not specified in the treaty, were to be submitted to Congress for its approval. It was then that the protective forces would be marshalled against those representing the idea of liberality in trade.

It is important to notice the significance of this situation. Hardly had it been decided to attempt a general enforcement of reciprocity when reactionary conditions set in tending to throw the whole movement back by a period of nearly twenty years. We have already seen that during the early eighties various efforts were made to secure reciprocity agreements, but met always an insurmountable obstacle in the refusal of the Senate to ratify any treaty which would injuriously affect the protection enjoyed by special interests. We have seen, moreover, that it was this sentiment which led ultimately to the incorporation of the reciprocity clause in the McKinley Act, so that the Executive might go on and extend the reciprocity system without being hampered by the necessity of securing the ratification of every treaty that should be nego-

tiated. Later, we saw that when the effort came to extend the scope of the authority enjoyed by the Executive, the old objections which had been presented in the early eighties again confronted the legislators who were at work upon the Dingley Act, so that little if any new power was actually granted to the President. So far as the reciprocity section of the Dingley bill had any importance whatever, that importance lay in the authority granted to the President to go on and negotiate treaties subject to the ratification of the Senate—an authority which, however, was unnecessary because it had always been exercised by the President and it might be assumed that the step it contemplated could be taken by him without further ado. The real situation which confronted the country after the passage of the Dingley Act was, therefore, that which had confronted it fifteen years earlier, the only difference being that the issue was now plainly put and the lines more sharply drawn than they had been at any time in the past. The problem to be solved was whether it was possible to liberalize our protective tariff with the consent of the protected interests, or any of them, and through the agency of the party whose main principle it had been to support those protected interests.

Before this issue, however, could be brought to a decisive test, it was necessary that the treaties should be formulated and presented first of all to the Senate. Mr. Kasson made various efforts to enter into relations with sundry European countries, and either outlined treaties or prepared the way for them. In South America similar work was done. The agreements were subsequently signed at Washington by Mr. Kasson and the respective officers of the foreign governments involved. The treaties which thus ultimately reached the stage of negotiation included those with the United Kingdom for Jamaica, Turks and Caicos Islands, Barbados, Bermuda and British Guiana, with Denmark for the Danish West Indies, with the Dominican Republic, with Nicaragua, with

Ecuador, with Argentina and with France. Thus it appears that of the European countries France alone was induced to enter upon a reciprocity agreement under the third class of agreements—that which required the action of our Congress for its ratification. The remainder of the treaties might be taken to represent an attempt once more to secure South American reciprocity. In this way an opportunity was fairly given for testing, on the one hand, the sentiment of our producers of manufactured goods who were so highly protected under the Dingley tariff, and, on the other, that of our producers of raw materials who were likewise so thoroughly well cared for.[1]

These treaties may be regarded as of two kinds—important and unimportant—the important treaties being those which affected some interest and which consequently aroused sharp criticism, the relatively unimportant being those which attracted little hostility and would not have been of great consequence in any event.

In the class of unimportant treaties may be placed all those negotiations with Great Britain, except that with Jamaica. Here, also, may be classified those with Denmark, the Dominican Republic and possibly Nicaragua. Among those which really constituted an infrigement upon the protective system may be placed, first of all, that with France and then those with Jamaica (Great Britain), Argentina and Ecuador.

[1] The treaty with France was signed by Mr. Kasson and Ambassador Cambon in Washington. The treaties with the British West Indies were negotiated in most instances by Colonial delegates who came to Washington for that purpose, but were signed by the diplomatic representative of the British government. Thus the treaty with Barbados was signed by Mr. Kasson and Mr. Reginald Tower, the British chargé d'affaires at Washington June 6, 1899; that with British Guiana by the same negotiators July 18, 1899; that for Turks and Caicos Islands by the same negotiators July 21, 1899; that with Jamaica by the same persons July 21, 1899; that with Bermuda by the same persons July 24, 1899. A treaty with Trinidad was also signed by Mr. Kasson and Mr. Tower July 22, 1899, but failed to receive the assent of the Colonial legislature. A second convention was then negotiated and signed on February 13, 1900, by Mr. Kasson and Lord Pauncefote, but this treaty never came regularly before the Senate. The treaty with Argentina was signed at Buenos Ayres July 10, 1899, by Hon. William I. Buchanan, United States Minister at Buenos Ayres, and Dr. Amancio Alcorta, Minister of Foreign Relations of the Argentine Republic; the treaty with Nicaragua was concluded at Washington, October 20, 1899, by Mr. Kasson and Dr. Joaquin Sanson, Minister of Foreign Affairs for Nicaragua; that of Denmark on behalf of St. Croix was signed at Washington by Mr. Kasson and Mr. Constantine Brun, Danish Minister at Washington, June 5, 1900; that with the Dominican Republic was negotiated by Mr. Kasson and

The treaties with France, with Great Britain, on behalf of Barbados, British Guiana, Turks and Caicos Islands, Jamaica and Bermuda, and with the Argentine Republic were transmitted to the Senate during the first session of the 56th Congress. Their contents were made public, but no action was taken.[2] The treaties with Denmark for St. Croix, and with Ecuador, Nicaragua and the Dominican Republic were submitted to the Senate at the second session of the 56th Congress, but no action was taken.[3] As already mentioned the treaty with Great Britain on behalf of Trinidad, signed February 13, 1900, never went to the Senate at all, "the Colonial authorities declining, upon the expiration of the brief period prescribed for its ratification, to extend the same."[4]

It will now be well to consider the character of the treaties thus negotiated and the interests they were likely to antagonize. Of all these treaties, the most important by way of the test of the reciprocity sentiment was that with France, because of the fact that it implied some infringement upon the protection granted to certain manufacturing interests which were, of course, politically the strongest that were likely to be arrayed in opposition to reciprocity. It is of great importance to understand the precise nature of the French treaty, and this can best be done by a review of the conditions under which it was negotiated, and of the history of these negotiations. We have already seen that a very strong hostility had been aroused against the United States because of its tariff system. It has also been noted that Mr. Kasson described this hostility as an obstacle of the utmost difficulty. We have seen, too,

---

signed at Washington, June 25, 1900, by Secretary Hay and Señor F. Vasquez, Minister of Improvements and Public Works and Special Envoy to the United States on the part of the Dominican government; that with Ecuador at Quito July 10, 1900, being signed by Hon. Archibald J. Sampson, United States Minister at Quito and Dr. José Peralta, Minister of Foreign Relations of Ecuador. Thus it appears that several of the treaties were negotiated after the expiration of the two years' limit set down in the tariff bill.

[2] *Atlantic Monthly* Vol. 88, December, 1901. "Expansion Through Reciprocity," by John Ball Osborne, pp. 721-31, especially pp. 726-7.

[3] *Ibid.*, footnote, p. 727.

[4] *Ibid.*, p. 727.

that according to well authenticated statements, the rates on sundry commodities were placed at an unexpectedly high figure under the Dingley Act, in order to provide an opportunity for lowering these tariffs in the course of negotiations. As the treaty finally stood, it provided that France should admit into French and Algerian territory all articles mentioned in her minimum schedule, with the exception of horses, butter, clover seed, fodder, cast iron, prepared hides and skins, boots, shoes and leather articles for machinery, certain electrical appliances, sugar, chicory, eggs, cheese, honey, porcelain and rough cardboard. On the other hand, we agreed to admit certain specified articles of French origin to the United States, granting them specified rates of reduction below our regular duties as described in the Dingley schedules. Among these articles were hosiery and knit goods, feathers and mineral waters, nuts and coal-tar dyes or colors, all of which were granted a reduction of twenty per cent. A like concession was granted on toys and playthings. A reduction of fifteen per cent. was given to articles of amber, bone, ivory, mother of pearl, shell, meerschaum, etc.; to olive oil, to bottles, to watchmakers' articles and clocks, to nails, needles, etc.; and to musical instruments. A much larger list was admitted subject to a reduction of ten per cent. This list included certain articles of flax and hemp, gloves, cheap jewelry, prepared and preserved vegetables and fruits, certain chemicals, perfumeries and soaps, glassware, cutlery, paper envelopes, straw hats, cement and liqueurs.

While it would require too much space to enumerate the rates of duty included in the French minimum schedules, it may be stated that these articles covered almost every kind of manufactures, as well as building materials and partly manufactured goods.

It was determined to hold hearings in order to test the feeling of the country concerning this treaty, and consequently divers manufacturers appeared during the first session of the

56th Congress before the Foreign Relations Committee of the Senate. In general, the persons who presented themselves in person, or by letter, were those who were engaged in the manufacture of agricultural machinery, iron and steel products, products of smelting and refining processes, and various others. To these should be added persons who made statements going to show that the dangers anticipated from the adoption of the French treaty were without foundation. On the opposing side, appeared principally those whose goods would be likely to compete with the French products upon which a reduction of twenty per cent. had been promised. Some others engaged in lines of manufacture where smaller reductions were offered also made their wishes known. Those who were most active in opposition were the manufacturers of knit goods, cheap jewelry, braids, brushes, spectacles and optical instruments, etc.

Mr. Deering, a prominent manufacturer of farming machinery, appeared before a sub-committee in behalf of the Agricultural Implements Association of the United States and there testified that France would offer a large market for farming machinery, were the treaty to be accepted.[5] Said Mr. Deering:

"We have striven to know, both before coming to Washington and since our arrival here, what are the objections to the treaty. We have been informed that the knit goods manufacturers have been opposed to the ratification of the treaty. We are now informed that of the $100,000,000 worth of knit goods consumed in the country last year, only $240,000 came from France. We have been informed that the manufacturers of pottery and silks were opposed to the ratification of the treaty. We are now told that both industries have admitted that no injury would be suffered by them. We have learned that the manufacturers of spectacles have believed that they would suffer injury, but they were shown that there would still remain to them eighty-eight per cent. of the present tariff; they have been satisfied to believe that no injury would come to them. We have been informed that the manu-

[5] Senate Document, No. 225, 56th Congress, 1st session, p. 99.

facturers of imitation jewelry object to the ratification of the treaty. We understand that the treaty proposed to reduce the duty from sixty to fifty-seven per cent. We are further informed that the probabilities are that the result of the treaty will increase far more largely the exports of this class of manufactures from the United States to France than they import from France to the United States.

"We have heard that opposition to the ratification of the treaty has been based upon the proposed reduction in our tariff on prunes. We find hat our exports of prunes to France amount to $260,000, while the imports of prunes from France to the United States amount to $14,000. We have understood that manufacturers of chemicals, gloves, and braids have stated that they will be injured by the ratification of the treaty. After an honest effort to learn the facts in the case, we are reduced to the conclusion that in actual working of this treaty the injuries suffered by them would be problematical in every case and imaginary in most cases."

Mr. French, appearing in behalf of certain iron and steel manufacturers, pointed out that we were now in a position to compete with almost any country in those articles, provided we could gain free access to their markets. He also placed the obligation for the ratification of the treaty upon the ground that a distinct pledge had been given:

"The manufacturers of iron in this country believe that the market of the world is theirs and are therefore in favor of any treaty which will enable them to put their wares into all nations at the minimum rate of tariff. * * * They ask that the Republican party redeem the pledge made at St. Louis."[6]

In a similar strain Mr. Alexander, speaking for the smelting and refining interests, remarked:

"However great the benefits and wise the policy of protection for infant industries, it is none the less clear that, having reaped that benefit, and lifted our great industries to such a position among the producers of the world as to require admission to the world's markets with our overproductions, we are justified in seeking that wise and equally beneficent legislation which will open the way for American products wherever a demand for such products exists."[7]

[6] *Ibid.*, p. 101.

[7] *Ibid.*, p. 103.

He then stated that France will afford a large market for refined lead, sulphate of lead, and other smelting products.

Along with these specific statements coming from interests which expected to reap benefit from the treaty went various bits of testimony based on more general grounds. From statements before the Committee it appeared that whereas our tariff contained some 705 numbers, of which we made concessions by the treaty on about 126, leaving 579 numbers untouched, there were contained in the French tariff 654 numbers of which only nineteen were reserved or excluded from the operation of the treaty. Furthermore, our average reduction, owing to the fact that we had granted but five per cent. on so many articles and but ten on many others, amounted to only six and eight-tenths per cent., while the average reduction made by France, leaving out the single item of oils (both mineral and vegetable) on which concessions had, however, been temporarily granted, was twenty-six and one-tenth per cent. Including these it rose to forty-eight per cent. It was plainly argued before the Committee that the ratification of the pending treaty would almost inevitably result in a large increase of American exports to France. We had furnished to that country in 1898 thirty-six per cent. of her free imports (expect silk and wool), while the dutiable imports in those articles in which we enjoyed equal competition under the same rate of duty as other countries, thirty-five and three-tenths per cent. had been furnished by us. On the other hand, in those commodities in which we were subjected to the maximum rate of duty, while other countries competing with us had been admitted to the minimum, we furnished only one and four-tenths per cent. From these facts it was held to be a fair argument that could we once attain a footing of equality with other countries, enjoying the French minimum rates wherever they did, we should increase our exports to France in proportion as had been the case with our non-dutiable exports to that country. Of course this argument proceeded on the assumption that we

could compete as successfully in the dutiable as in the non-dutiable articles, which was perhaps not true.

On the other side of the controversy, the protectionist legions were marshalled in great numbers. The knit goods manufacturers vigorously protested against the treaty. All of the old-line arguments were urged. The industry needed protection to begin with. Then a pledge had been given by the Dingley bill, and capital had been invested subject to that pledge. Again, the machinery used in the industry came from abroad and had to pay duty. Under examination the manufacturers admitted that they already supplied about ninety-five per cent. of the home demand and that only about five or six per cent. of the goods supplying that demand were imported. They contended, however, that these importations were of the better grades which they wished to fit themselves especially to introduce. Of course, the manufacturers harked back to what they held to be the original idea of reciprocity. In the words of one pleader on the subject:[8]

"Our idea of reciprocity was that reciprocity should come to us on lines that should not interfere with our industries. We have understood that that was Mr. Blaine's idea—that reciprocity was consistent with protection, because it would bring in raw materials or other stuffs we did not make, and permit us to give that we did make to other countries which did not make them there. There would be no competition on either side; and we do not think reciprocity is fairly constructed in the present bill, because it brings in the things which we compete with and which we manufacture. * * * So far as we are concerned, you might just as well put a twenty per cent. less tariff in the Dingley bill."

Some other manufacturers dealt a good deal in generalities. The producers of braids argued that the treaty would reduce the revenue and establish a dangerous precedent leading to similar demands by other countries. It would injure the Republican party because it would alienate the protected inter-

[8] *Ibid.*, p. 135.

ests upon which that party depended for its support. It would be injurious to the manufacturer of other lines of goods because it would create uncertainty, since manufacturers could never know that their protection would be maintained, and would be kept in a constant state of apprehension lest their protection should be given away by a reciprocity treaty. Loud protests came from the manufacturers of brushes, spectacles and optical instruments, perfumes, decorated tiles and bricks and cheap jewelry. A great deal of similarity, however, ran through the whole discussion.

Inasmuch as the French reciprocity treaty was the only one negotiated under the Dingley Act which infringed upon the protected preserves of the manufacturers, and inasmuch as it so clearly subjected to a test the possibility under present conditions of carrying such treaties through Congress in the face of the combined opposition of the protected interests, it is worth while to study with some care the bearing of this treaty and its different clauses. There are several points of view from which such a treaty may be considered. It seems to be bad economics to attempt to judge any agreement of the kind by a mere reference to the balance of trade under it, yet it is usual to refer to the trade balance as one of the criteria by which to test the relative advantage or disadvantage of a given reciprocity treaty.

Looking at the French agreement from this point of view, which is, at all events, the one that commends itself to the judgment of the practical man as a rough and ready standard, it appears that the gross amount of tariff concessions granted us by France was very much larger than that granted to France under the same agreement. In the following computation is given a comparison of actual concessions granted by the United States and by France, under the treaty as they would work out, supposing trade, after the negotiations were over and the treaty had gone into effect, to continue on the same basis as during the year 1898:

COMPARISON OF THE ACTUAL CONCESSIONS GRANTED BY THE UNITED STATES AND BY FRANCE UNDER THE PROVISIONS OF THE PENDING TREATY, BASED UPON UNITED STATES STATISTICS OF IMPORTS AND EXPORTS FOR THE FISCAL YEAR 1898, THE EXPORTS BEING THOSE OF DOMESTIC ORIGIN ONLY.

[Prepared especially for the Committee on Foreign Relations of the United States Senate, January 29, 1900, by Jos. S. McCoy, Government actuary.]

Statement of United States imports from France of concessional articles, with amounts of revenue to be conceded on the articles.

[Based on the imports of the fiscal year 1898, United States statistics.]

Per-centage of duty con-ceded.	Articles.	Tariff-act number.	Value imported.	Duty collected.	Conces-sion.
Per c.					
	Silk goods: All of Schedule L.	384 to 391, inclusive.	$10,842,946	$5,770,559	$288,527
20	Cotton goods:				
	Hosiery and knit goods	317, 318, 319.....	241,278	108,575	21,715
	Suspenders, passementerie.	320.....			
5	Cotton fabrics mixed with silk	311.....	3,195,768	1,423,544	71,176
	Plush and velvet.....	315.....			
	Ready-made clothing..	314.....			
	Laces.....	339.....			
	Articles of flax and hemp:				
	Woven fabrics.....	346.....			
10	Laces, embroidery trimmings.	339.....	402,204	201,102	20,110
	Linen goods, ready-made.	338, 345.....			
10	Leather and skins: Gloves, excepting those known as schmaschen.	440 to 445, inclusive.	1,462,748	731,374	73,137
	Articles of Paris (fancy goods):				
10	Imitation jewelry.....	193, 408.....	.....	.....	.....
5	Jewelry.....	434.....	908,807	545,284	27,264
5	Buttons.....	414.....	123,370	61,685	3,084
10	Brushes.....	410.....	476,433	190,573	19,057
10	Dice, chessmen, etc.....	417.....	18,905	9,452	945
20	Toys and playthings	418.....	92,733	32,457	6,491
10	Fans.....	427.....	74,385	37,192	3,719
15	Articles of amber, bone, ivory, mother-of-pearl, shell, meerschaum.	448, 449, 450, 459....	137,268	52,876	7,931
10	Buckles.....	412.....	Elsewhere..	.....	.....
10	Articles of food:				
	Prepared or preserved vegetables, pease, etc., including mushrooms.	241.....	349,337	105,273	10,527
10	Fruits preserved in sugar or spirits.	263.....	321,273	144,570	14,457
5	Chicory, roasted or ground	280.....	None.	.....	.....
10	Macaroni, vermicelli and all similar preparations.	229.....	56,853	17,055	1,705
20	Nuts.....	272.....	497,805	124,451	24,890
10	Prunes.....	264.....	13,927	2,088	209
15	Olive oil.....	40.....	412,313	164,925	24,738

Percentage of duty conceded.	Articles.	Tariff-act number.	Value imported.	Duty collected.	Concession.
Per ct.					
	Chemicals:				
10	Colors and varnishes	44 to 59, inclusive	$127,590	$25,518	$2,552
20	Coal-tar dyes or colors	15	49,838	14,951	2,990
10	Glycerine	24	451,467	133,097	13,310
10	Glue	23	200,517	50,129	5,013
10	Potash	62 to 66, inclusive	98,328	40,044	4,004
10	Soda	73 to 80, inclusive	[1]		
10	Medicinal preparations	67, 68	128,592	32,148	3,215
10	Perfumery prepared with or without alcohol.	2, 70	367,841	183,920	12,859
10	Soaps, including perfumed soaps.	72	108,077	21,615	2,161
10	Ultramarine blue	52			
	Earthen and glass ware:				
10	Bricks and tiles, varnished, enameled or ornamented.	88, 92, 3	[1]		
15	Bottles	99	106,329	42,531	6,380
5	Glass decanters and other glass vessels.	100	In above.		
10	Window glass and other glass.	101 to 105, inclusive.	17,624	13,000	1,300
10	Spectacles and glasses for spectacles.	108 to 110, inclusive.	188,969	89,760	8,976
10	Opera glasses, lenses, etc.	111	Elsewhere		
	Metal work:				
10	Cutlery	153, 155	16,513	8,256	825
15	Watchmakers' articles, clocks.		214,465	85,786	12,868
15	Nails, spikes, points, needles.	160 to 165, inclusive.	10,571	2,112	316
10	Metallic pens	186			
10	Penholders	187			
10	Other goods and wares composed wholly or in part of manufactured metal not specially provided for in the act.	193	499,126	224,606	22,460
5	Galloon braid, embroidery, and other articles made wholly or partly of tinsel wire, bullions, or metal threads.	179	Included above.		
10	Paper:				
	Copying, filtering, blotting, and surface-coated paper, or paper covered with metal or its solutions, parchment, sensitized paper for photographic purposes.	397, 398	128,212	44,874	4,487
	Letter paper, hand made.	401			
	Envelopes	399			
	Blank books	403			
	Albums	404			
	Articles of paper	407			
5	Feathers, etc., dressed for ornament, etc., and artificial flowers.	425, 82	2,049,392	1,024,691	51,234

[1] Only chlorate imported.
[1] No returns; less than $30,000 from the world.

Percentage of duty conceded.	Articles.	Tariff-act number.	Value imported.	Duty collected.	Concession.
Per ct.					
10	Wood and wooden furniture	208	$203,347	$71,171	$7,117
20	Plants and seeds	251, 252, 254	213,916	74,130	14,826
10	Straw hats	409	82,267	20,567	2,057
10	Braids, of straw or grass, etc., especially for making or ornamenting hats.	409	57,826	11,565	1,156
10	Cement	89	18,846	3,769	377
20	Furs, not on the skin, for hats	426	None reported.	.....	.....
10	Hats, including felt hats	370, 432	.....	.....	.....
15	Musical instruments	453	87,821	39,520	5,928
20	Feathers not dressed	425, sec. 1	296,800	44,520	8,904
20	Mineral waters	301	51,816	20,726	4,145
10	Liqueurs	392	100,000	90,000	9,000
	Total	.....	25,504,441	12,136,041	828,813

Statement of United States imports from France of concessional articles, with amounts of duty collected and revenue to be conceded by France.

[Based upon the exports for the fiscal year 1898, United States statistics.]

Articles.	Value imported.	Duty collected.	Concession.
Agricultural implements	$1,252,167	$187,825	$75,130
Art works	35,408	3,541	708
Asbestos, and manufactures	11,738	4,108	1,191
Asphalt, and manufactures	133	100	17
Babbitt metal	1,155	100	10
Bark, etc., for tanning	27,381	4,564	1,521
Blacking	12,622	7,068	1,414
Books, maps, engravings, etchings, etc	30,454	24,363	4,873
Brass, and manufactures	55,827	5,583	1,284
Preparations of breadstuffs	2,259	949	158
Brooms and brushes	1,324	464	130
Cars:			
For railways	23,821	7,940	1,588
For tramways	9,820	1,178	236
Cycles and parts	482,680	62,750	7,844
Carriages, etc., all other	37,390	4,113	685
Celluloid, manufactures	3,934	820	175
Charcoal	25	15	5
Acids	20	6	3
Sulphate of copper	8,506	985	247
Dyes and dye stuffs	3,513	878	439
Lime acetate	2,755	689	172
Medicines, proprietary	2,080	416	208
Roots, herbs, etc	6,910	691	138
Chemicals, all other	32,328	8,082	1,616
Cider	69	2	1
Clay	4,150	40	15
Clocks	10,453	1,045	312
Watches	766	76	40
Copper manufactures	1,256	125	35

Articles.	Value imported.	Duty collected.	Concession.
Cotton:			
Cloths, colored	$3,003	$2,102	$526
Cloths, uncolored	5,875	2,700	540
Wearing apparel	1,659	747	187
All other manufactures	2,819	1,270	318
Dental goods	7,369	1,842	368
Earthen and stone ware	3,809	1,269	317
Emory	3,228	1,076	538
Emory wheels	7,079	2,359	944
Fiber:			
Bags	77,564	48,250	16,083
Cordage	100	35	12
Twine	4,333	2,166	541
All other	203	40	10
Fish:			
Mackerel	30	5	1
Salmon, canned	1,236	185	31
Salmon, other	150	23	4
Canned, other	214	27	5
Caviar	352	52	9
Oysters	251	25	13
Other shellfish	6,689	669	167
All other	3,167	317	80
Prunes	258,811	.....	.....
Raisins	420	140	56
Other fruits	288,286	.....	.....
Fruits:			
Preserved	4,998	1,000	200
Canned	689	460	92
Furniture of metal	17	3	1
Glassware	8,522	2,130	710
Glue	2,242	65	13
Cartridges	12,063	2,011	126
Hair manufactures	30,723	2,050	683
Household goods	27,058	1,893	316
Nuts	4	2	2
India rubber:			
Boots and shoes	13,625	2,725	908
Other manufactures	43,774	8,755	2,918
Inks:			
Printers'	380	60	12
Other	156	24	5
Telegraphic, telephonic, and other electric apparatus	26,150	3,716	929
Iron, bar	525	246	25
Steel:			
Bar	5,845	3,300	471
Rails	9,396	4,970	710
Wire rods	18,090	14,700	1,470
Sheets	176	123	24
Steel and iron, structural	850	595	149
Steel:			
Wire	2,508	836	105
Car wheels	19,842	7,937	2,646
Castings, n. e. s.	35,184	10,555	3,518
Cutlery:			
Table	1,906	400	100
Other	2,792	586	162
Firearms	18,467	12,004	3,001
Locks, hinges, etc	107,698	13,462	3,365
Machinery:			
Printing	27,422	2,742	685
Electrical	49,201	8,200	2,050
Pumps and pumping machinery	74,764	14,953	4,984
Machines, sewing	102,809	20,562	6,169

Articles.	Value imported.	Duty collected.	Concession.
Stationary engines	$10,391	$1,870	$623
Boilers, etc	4,680	1,076	269
Typewriters	94,608	18,922	4,730
Machines, all other	401,263	80,253	20,063
Nails and spikes	744	372	175
Pipes and fittings	22,975	11,488	2,872
Safes	41	8	2
Saws	556	111	28
Scales and balances	292	58	15
Stoves, etc., and parts	10,970	2,742	548
Tools, n. e. s	73,612	14,722	2,944
Iron and steel manufactures, n. e. s	55,715	11,143	2,786
Jewelry	5,891	295	148
Other gold and silver, manufactures	21,057	1,055	528
Lamps, etc	6,432	6,432	1,608
Type, etc	250	8	1
Saddlery	1,790	358	.....
Malt	3,713	825	.....
Beer	169	17	4
Marble, unmanufactured	5,436	3,624	906
Marble, etc., manufactured	27,920	18,612	4,653
Seaweed	122	15	4
Musical instruments:			
Organs	4,898	4,310	1,510
Pianos	4,850	200	25
Other	75	60	12
Notions	2,695	1,400	350
Plants, nursery	584	117	47
Oilcloths:			
Floor	829	276	46
Other	3,248	1,083	180
Whale oil	3,288	469	67
Oil:			
Peppermint	14,487	1,178	589
Other volatile	22,710	3,407	1,703
Paints, etc., black	20,799	1,040	208
Paints, other	22,467	4,493	2,247
Paper:			
Hangings	3,406	700	175
Printing	6,067	1,213	303
Writing	1,763	441	110
Other	20,300	4,060	1,015
Paraffin	120,756	85,004	12,146
Perfumery, etc	2,705	541	108
Photographic material	258	52	13
Plated ware	5,342	534	178
Meats: Beef, salt	17,911	8,830	883
Oleo	38,888	20,769	6,230
Other meat products	64,234	32,127	3,213
Milk	10	4	2
Silk:			
Manufactured	1,982	297	59
Waste	3,379	507	101
Soap:			
Toilet	1,371	137	46
Other	1,572	314	63
Spermaceti	5,376	538	90
Alcohol:			
Wood	3,665	825	247
Other	26,112	7,447	1,638
Spirits	2,972	502	63
Sponges	250	29	6
Starch	5,884	5,813	1,105
Stationery (except paper)	16,473	11,531	3,344

Articles.	Value imported.	Duty collected.	Concession
Straw, manufactured	$1,152	$115	$38
Sirups	33	16	1
Candy, etc	283	142	10
Artificial teeth	20,985	10,499	1,499
Tin, manufactured	532	53	13
Toys	676	102	34
Trunks, etc	95	24	5
Varnish	29,839	9,946	2,481
Vegetables, preserved	2,507	627	126
Vulcanized fiber	5,911	1,182	394
Wax, bees and shoemakers'	1,255	125	42
Wines:			
In bottles	650	325	135
Other	454	364	150
Woods:			
Shooks, headings, etc	58,804	5,880	1,470
Manufactures of furniture	234,447	29,306	7,326
Other	72,524	14,505	3,626
Pulp	34,415	5,160	1,720
Wool:			
Carpets	500	125	25
Other manufactures	772	193	48
Miscellaneous, n. e. s	4,212	842	169
Total	$5 39,027	$388,665	$257,735

On foregoing articles:	Per cent.
Average duty, ad valorem, now collected by France	18.9
Average of concessions, ad valorem	4.9
Average of duty as provided by treaty, ad valorem	14
Average of percentage of reduction of duty by France	26.1

Concession of French duty now temporarily granted and perpetuated by the treaty.

Article.	Value imported.	Duty to be collected.	Concession of duty.
Cotton-seed oil	$3,617,133	$1,140,000	$570,000
Petroleum:			
Crude	3,221,437	6,442,874	3,221,437
Refined	458,436	641,986	320,993
Lubricating, heavy, etc	674,852	195,267	146,450
Total	7,971,858	8,420,127	4,258,880
Add from above	5,239,027	988,665	257,735
Grand total	$13,210,885	$9,408,792	$4,516,615

On foregoing list of articles (including oils):	Per cent
Average maximum French duties, ad valorem	71.2
Average of concessions, ad valorem	34.2
Average of French duties proposed under treaty, ad valorem	37
Average percentage of French reduction of duty by rance	48
On the foregoing articles imported from France:	
Average rate of duty, ad valorem, now charged by United States	47.6
Average of concessions, ad valorem	3.2
Average rate of duty, ad valorem, as proposed by treaty	44
Average percentage of United States reduction of duty	6 8

It thus appears that, including our cotton seed oil and petroleum, a rebate of duties was secured by us on goods shipped from this country to France amounting to $4,516,615. Without the item of oils the concessions gained by us amounted to $257,735. As against these concessions to us the rebates of duty we granted came to $828,138 in a trade equal to that of the fiscal year 1898.

This showing makes it apparent that the treaty was an advantageous one for us, if we regard those treaties as good which succeed in pushing into foreign countries a larger amount of our goods, duty free, than we import from them under the same conditions. But this can, in no broad view of the situation, be considered a legitimate standpoint. The question is not whether larger concessions of duty are granted in terms of dollars than are granted by us to the goods of the foreign country with which we have negotiated any particular treaty. The question is whether, after the treaty has been adopted, we shall succeed in building up a trade which was not in existence before and which would not have come into existence had we not succeeded in entering into the agreement. It is a question of competition and the real point at stake is whether we need the concessions granted by the treaty in order to place ourselves upon equal terms with foreign countries which are our competitors. This may be illustrated by a familiar simile. If there is sufficient water at the mouth of a harbor to enable vessels of the customary draught to enter that harbor, it matters little or nothing whether the depth of the water on the bar at the mouth leaves only a few inches or many fathoms to spare. If the vessels can pass at all the harbor will be open to navigation, otherwise not. With our status in the industrial world, it is impossible to expect that we can compete on favorable terms with rival manufacturers, many of whom have much lower freights to pay and who are at the same time favored by differential tariff rates in getting their goods into the competitive market. It might very well be

that precisely the small amount of concession gained by such a treaty as that with France would just suffice to give the American manufacturer the necessary inducement and opportunity of getting his goods into the French market in competition with German and Swiss and other producers.[9]

Considering the French treaty from the standpoint of internal legislation, it seems that, whereas we got practically the whole of the reduction granted under the minimum tariff of France, saving a relatively small list of reserve articles, we granted to the French producer by no means the maximum rate of reduction provided for in the Dingley tariff. Whereas the average of the concessions (or percentage of reduction of

---

[9] It deserves to be noted in regard to the French treaty that the Dingley rates had been set too high in order to furnish a good starting point for reciprocity negotiations, while France had also raised her maximum schedules with the idea of general commercial negotiations with the outside world, and thus both countries were in excellent condition to begin bargaining with each other. The first effort toward reciprocity had been a tentative suggestion by the British government in behalf of its colonies, whose agriculture had long been in a depressed condition. It was not very long, however, before France "concluded to open a negotiation and Mr. Patenotre came to" Mr. Kasson "with a proposition for the whole twenty per cent. reduction provided by the 4th section of the tariff bill in exchange for the whole minimum tariff of France on" American goods. (Mr. Kasson's own statement on this subject is to be found in Senate Document, No. 225, 56th Congress, 1st session. See p. 63.) In other words, France offered to let down her tariff bars to the whole of the then legally authorized extent, in return for similar action on the part of the United States. This Mr. Kasson decided he could not accept. A break in the negotiations then occurred until Mr. Cambon came to the United States as French Ambassador. The discussion was again resumed and Mr. Kasson proposed "a moderate reduction along the line of specific French articles in exchange for their grant of the minimum tariff." A treaty on this basis was finally consummated. In other words, what happened was that Mr. Kasson entered into a process of bargaining with the French Ambassador whereby in return for the French minimum tariff he attempted to give as little as possible by way of concessions in exchange. (Mr. Kasson described the conditions with reference to the French system as follows: * * * "The French tariff system is peculiar. * * * They have a general tariff which applies to all the world, and is, as a rule, highly protective. They have another scale called 'the minimum tariff' varying from 15 per cent. to as much as 100 per cent. reduction below the general tariff and according to articles. On certain articles the tariffs are identical; and they also have a free list. * * * Few articles are identical as to the general and the minimum tariffs, but on manufactured articles there is usually a very marked difference in the two rates. They give their minimum rate to other nations for a consideration only." All the countries of Europe, excepting Portugal have secured these minimum rates, and consequently supply the millions of dollars of manufactured products which France annually imports. The ratification will open the French ports to our manufactures. (*Ibid.*, p. 64.)

Just what was the nature of the pressure brought to bear by Mr. Kasson was very clearly indicated by that gentleman when before the Senate Committee at a later date. Mr. Kasson then said: (Senate Document, No. 225, 56th Congress, 1st session, p. 66.) "When we seemed to be near the point of disagreement, I told the French negotiators that I saw no reason why we should take part in their Exposition of 1900 if they were to continue to shut out the products of our industries by exceptional duties. * * * I suppose that had some effect on the French government, because it was a plain truth."

duty) made by France was 26.1, or including oil 48 per cent., the average percentage of reduction of duty made by the United States was only 6.8 per cent. It thus seems that from the standpoint of relative concessions, as well as from that of absolute amounts of duties yielded, the United States fared well in the French agreement.

Examining the treaty from the standpoint of the protectionist, it would not seem that there was any occasion for alarm. The knit-goods manufacturers themselves, who were the most vigorous opponents of the agreement, admitted that under it only a very small percentage of the amount of such goods produced in this country would be likely to come in. The producers of silks thought the concessions of the act so trifling that they did not deem it worth while to offer any earnest opposition. The other interests which were concerned to prevent reciprocity did so chiefly not upon the ground of objection to the concessions as such, but upon that of fear lest the protective principle should be broken in upon. The real question at issue, therefore, with regard to the ratification of the treaty was this: Should we fail to secure for ourselves a promising field of trade which we were assured by experts would result in large sales of our manufactures, or, should we allow this probable gain (costing us little or nothing) to be outweighed by the fear of some individual interest that the tariff concessions thus granted might imply an ultimate infringement upon their "principle" of monopoly privileges in the home market?

Although the French treaty had been urged forward in order to make a test case, and less was said about the other agreements, it is not open to doubt that there were features of the others which would have aroused possibly more opposition than was stirred up by the French treaty, had they been seriously pushed. In order to understand from what source this opposition was likely to come and what interests would be antagonized by the treaties, it is necessary to review in a

general way the provisions of these other documents.[10] The convention negotiated with Great Britain related, as we have seen, to Barbados, Guiana, Turks and Caicos Islands, Jamaica and Bermuda. In all of these treaties reductions were specified on sugars imported from those colonies into the United States. Owing to the height to which the sugar bounty system of Europe had been carried, it was practically impossible for these West Indian countries to sell their sugars on the continent, while the English market had been almost completely spoiled because it was the only non-competitive market in Europe, and it was deluged with bounty-fed sugar from almost every country on the continent. This sugar sold there at a price very much below the cost of production in the country of origin, and at a price somewhat below the cost of production in the colonies. As a result, the British colonies found themselves in very much straitened circumstances, and there was apparently nothing which could lift them out of the bad condition into which their industry had fallen, short of the abolition of the bounty system in Europe; but this was a method which would be slow and tedious in its operation, even if it were practicable at all. Their only other alternative was the opening of a new market for their sugars in which they would have an advantage over the bounty-fed sugars of the continent. This latter source of salvation was precisely what would be afforded by the United States, for the Dingley Act had ordered the imposition of countervailing duties equal in amount to export bounties paid by any foreign country on any commodity. Could the West Indies gain admission for their sugar to the United States, they would enjoy practically a differential advantage here, or, at all events, would be able here to meet the sugar of Europe on equal terms. Therefore, the reciprocity treaties with every one of the British colonies (except Bermuda, Turks and Caicos Islands) enumerated above

[10] The text of the treaties will be found in the Appendix.

provided for a reduction of twelve and a half per cent. upon the cane sugars of the colony exported to the United States. The only other articles of much importance on which reductions were specified were fruits, fresh vegetables and rum. Other commodities, many of which were to come in free, included bananas, cocoanuts, coffee, cocoa, tortoise shell, certain kinds of woods and tropical products. In the treaties with Great Britain for her colonies, it may therefore be stated in a general way, there were but two points of much importance, and on these two points there was likely to arise opposition. As will appear from what has already been said, these two points were:

(1) The reduction of twelve and a half per cent. on sugar imported into the United States; and

(2) The concessions on fruits which might come into competition with the fruits produced in the Southern and Southwestern portions of the United States.

In return for these concessions, a considerable market was undoubtedly opened for various American products, the chief of which were meat products, canned meats, some liquors, tobacco and a few other articles.

A different problem is opened when we turn to the proposed treaty with Argentina. This treaty went boldly to the root of the matter, and specified a reduction of twenty per cent. of the Dingley rates on sugar, hides and wool. It thus antagonized a distinctly different set of interests from those which were met by the treaties with the British West Indies. In its concessions on sugar it, of course, had to meet the same opposition, but it also added to this, in place of the antagonism of the fruit growers, the much more powerful hostility of the producers of wools and hides.

The treaty with Ecuador may be characterized in much the same way as that with Argentina. It provided for the free entry of hides and skins with the wool, coffee, and a few other articles, and for a reduction of twenty per cent. on

raw sugar, leaf tobacco, and the hides and skins of neat cattle. On the other hand, it provided for free admission of machinery, manufactures, locomotives, coal and certain other articles going from the United States to Ecuador, and for a reduction of twenty per cent. on sewing machines, certain kinds of wines, lumber and cotton seed oil. The agreement thus contrived to antagonize in the very strongest way the producers of hides and sugar. The treaty with the Dominican Republic was substantially similar in character, providing for a twenty per cent. reduction on hides and skins, tobacco and honey, and for free admission of certain tropical products. A reduction of twelve and a half per cent. of the Dingley rates on sugar was also specified. In return, the usual list of American commodities was to be admitted to Santo Domingo on favorable terms. The treaty negotiated with Nicaragua reduced the duty on raw sugar and on hides by twenty per cent. and admitted certain tropical products to the United States free, our machinery and manufactures going free to Nicaragua. With Denmark, for the Island of St. Croix, the treaty granted a reduction of twelve and a half per cent. of the Dingley rates on raw sugar, molasses and rum, admitted our wheat flour at thirty-five cents per one hundred pounds, and our cornmeal at twenty cents per one hundred pounds, to St. Croix, while it gave us the most favored nation treatment granted any country, with the exception of the Islands of St. Thomas and St. John.

After this review of the reciprocity treaties, it therefore appears that they may, from a political standpoint, be divided into three groups:

(1) Those antagonizing American manufacturing interests. The treaty with France stands alone in this class.

(2) Those antagonizing producers of raw materials, principally wool, hides and sugar.

(3) Those antagonizing growers of semi-tropical fruits.

There is no denying the fact that the Dingley treaties

negotiated by Mr. Kasson have furnished a most valuable and important test of the protective sentiment in this country. They offered practically every avenue for the reduction of duties, should it be possible to get enough votes in Congress for their ratification. They were conservative, for they in no case granted such large reductions, or admitted such large quantities of goods, as to produce serious interference with American interests. They opened once more the door of South American trade, and suggested the opening of a new door for European trade. They came at the moment when our business abroad was expanding, and when the eyes of the nation were fixed upon the possibility of conquering new markets. They received but scant attention, met with no favor and for several years were allowed to sleep in the pigeonholes of the Senate Committee on Foreign Relations. The Republican pledges were broken without hesitation and in the most bare-faced manner, in the full faith and confidence that the minds of the people had turned from any thought of tariff revision, or of protection to the consumer, and cared not at all for the possibility of extending our foreign trade.

It is impossible to do more than refer at this point to the series of remarkable transactions by which we gained control of Cuba, annexed Hawaii, added Porto Rico to our territory, and undertook the subjugation of the Philippine Islands. Important as was the bearing of these events upon our politics, they were of equally great influence upon our economic organization and our attitude toward other countries. War with Spain had been declared and carried to a successful termination during the spring and summer of 1898. The work of negotiating reciprocity treaties was then under way and the treaties, as we have seen, had been presented to the Senate in December, 1898, at the opening of the session of 1899-1900. Almost at the same time, it was necessary to legislate for Porto Rico upon the customs revenue problem. This fact was of great indirect importance in shaping our attitude toward

the reciprocity policy. It was desired by the administration to grant free trade to Porto Rico. Yet it was clear that should free trade not be granted to that Island, it might be difficult to make tariff concessions to other West Indian Islands and to South American countries producing the same kinds of goods. To do so would have been to show objectionable discrimination; since it might have turned out that we were treating foreign countries more favorably than we were our own possessions, merely because we were not in a position to exact trade advantages from the former without giving something in return, while in the case of an island like Porto Rico, which lay absolutely at our mercy, we could do as we pleased. On the other hand, were we to grant free trade to Porto Rico and then offer, in addition, the desired trade concessions to other tropical countries, the result might be a large inrush of certain kinds of goods competing to an undesirable extent with our domestic products. Domestic producers might be willing to endure the competition of Porto Rican products admitted free, which, owing to the size of the Island, would be of a very limited character; but they would not endure the additional competition which would come from opening our gates to unlimited quantities of the same sort of goods from South America. It became plain that the two measures—reciprocity, and free trade for our dependencies—were in a measure antagonistic one to another. Apparently a combination had been formed against them. The scheme was to refer the reciprocity treaties not to the Foreign Relations Committee to which they would naturally go, but to the Finance Committee, so long known as the stronghold of protection, which was unquestionably adverse to the whole plan of reciprocity. The combination succeeded in defeating Porto Rican free trade only temporarily. As finally passed, the bill regulating our commercial relations with Porto Rico imposed fifteen per cent. of the Dingley rates upon all Porto Rican products imported into the United States during the next two years, at the end

of which time complete free trade was to set in. This outcome had its unquestionable effect in weakening the chances of reciprocity. The treaties had finally gone to the Foreign Relations Committee, but it was understood that nothing could now be done about them. The administration had concentrated attention upon the French treaty, in order to make a test case of that agreement, but as soon as it became evident that no results could be attained without great effort, President McKinley practically discontinued his undertaking, and those who saw matters as they really were, knew that for the present the matter would be dropped.

The treaties, however, had hardly come before the Senate and been made public when the real reciprocity debate began in the public prints. From every side the cry went up through protectionist organs that the reciprocity of the Kasson treaties was not of a kind which would be beneficial, inasmuch as it would seriously impair the "principle of protection," and would establish a dangerous precedent for the future, to say nothing of the immediate danger that might be wrought. As usual, the first gun in the campaign against the treaties was a naïve plea intended to show that opposition to them was not a breach of Republican reciprocity doctrines and pledges. In the effort to substantiate this contention, recourse was had principally to labored historical argument. This was necessary in order to establish the true nature of the Republican doctrine on reciprocity. Going back to the days of the McKinley discussion, it was shown that even Mr. Blaine had not favored "indiscriminate reciprocity" [11] and the true doctrine was laid down on the basis of President McKinley's inaugural address in which he stated that "the end in view [is] always to be the opening up of new markets for the products of our countries by granting concessions to the products of other lands that we need and cannot produce ourselves."

[11] *The Protectionist,* March, 1900, Vol. XI., p. 644.

This doctrine was boldly laid down in the *American Economist,* which argued that "the policy of reciprocity which is essentially a protectionist policy looks toward the free importation or the reduction of the tariff on only those goods which do not come into competition with American products." In short, the treaties went far beyond the Republican pledge and as such could safely be repudiated. "It is absurd to suppose," exclaimed the *Protectionist,* "that the framers of the reciprocity plank in the Republican National platform anticipated the spurious reciprocity embodied in the French treaty." [12]

The mask was completely thrown off, however, when it was sought to meet the very patent argument that, should reciprocity be restricted to non-competitive commodities, there would be nothing really left to serve as a basis for negotiation. This issue was fairly faced by the *Protectionist,* which sharply drew the line in the following words:

"If * * * no reciprocity can be obtained except at the injury or sacrifice of some American industry then let us resolve to dispense with it altogether." [13]

The great difficulty raised by most of the objectors was not that the treaties were absolutely injurious in themselves, but that they constituted a mischievous innovation likely to be held a precedent, leading to more and more concessions, and ultimately, perhaps, plunging the country into the gulf of free trade. Mr. Kasson, of course, came in for his due share of abuse. He was said to have exceeded his authority very largely, and it was even denied that he told the truth in saying that duties had been fixed at a higher point under the Dingley Act than they otherwise would have been, with the sole purpose of furnishing a starting point from which to cut them down through reciprocity negotiations. One thing that worked powerfully in favor of the reciprocity treaties was the great growth which had taken place in our foreign trade.

[12] *Loc. Cit.,* p. 645.

[13] *Ibid.,* p. 644.

It began to be understood that we could not always sell and never buy, and that if we persistently refused to open our markets to the products of foreign countries, they would as persistently close theirs to us. The result could be nothing short of limitation of trade along important lines. The argument of some of those who advocated reciprocity was not always wise. A crude over-production theory grew up by the terms of which it was contended that we must open foreign markets in order to throw off our "surplus." It seemed to be felt that some one was bound to suffer in the productive struggle through the excess of good things, and that what was necessary was, by a shrewd bargain, if possible, to guarantee that we should receive as little harm as possible, from our productive power. If we could only find some foreigners who would take our surplus at lower prices than we charged at home, thereby preventing a necessity of lowering prices in the domestic market, it might be possible to live in an atmosphere of constant high prices where all would be happy, because large sums were coming in, in return for goods, even though as large, or larger, sums had to be paid out for the expenses of production.

Mr. Kasson, as the negotiator and principal supporter of the reciprocity treaties, negotiated under Section 4 of the Dingley Act, is entitled to be heard in his own behalf. Not only did he appear before the Senate Committee on various occasions; but also in various periodical publications, as well as before certain clubs, associations and other organizations, he earnestly supported the reciprocity policy. One of the clearest expositions offered by Mr. Kasson of the ideas behind the reciprocity treaties is found in the *National Magazine* for December, 1901.[14] Under the title "The Demand for Reciprocity," Mr. Kasson strongly urged that the reciprocity treaties ought not to be "confused with any proposals for tariff

[14] Vol. 15, p. 353.

revision." They simply executed, he said, the provisions of the Dingley tariff, and as such were practically necessary in order to put that law into effect. The whole reciprocity negotiation was, according to Mr. Kasson, practically an accomplished fact. That is to say, the determination had been reached in the Dingley Act, and it was now no longer a subject for argument whether we would or we would not have reciprocity on the lines mapped out therein, but only whether the treaties had been fairly negotiated and gave us satisfactory concessions in exchange for what we granted. Conceding that this end was obtained, the ratification of the agreements ought to follow as a matter of course. That the treaties were strictly within the lines of protection was strongly maintained by Mr. Kasson. Protectionists, however, he admitted, are divided into two classes—the reasonable and the unreasonable. Unreasonable protectionists confuse protection with prohibition. What they want is monopoly. Mr. Kasson, neglecting the fact that our reciprocity in the past had never been much more than retaliation, furthermore stated his idea of the importance of reciprocity as a policy in the following words:

"The present situation now again presents the alternative * * * of reciprocity or retaliation. * * * Either reciprocity treaties must be approved or Congress must enact new and far-reaching measures for retaliation." [15]

Mr. Kasson's authoritative exposition of his own views concerning the treaties he had himself negotiated is found in an address delivered by him before the Illinois Manufacturers' Association, October 24, 1901, at Chicago.[16] In this address Mr. Kasson outlined the legal and constitutional aspect of reciprocity, and reviewed the situation existing under the most favored nation clause. He concluded that reciprocity treaties were both necessary, constitutional, and a desirable means of

[15] *Ibid.*, p. 353.
[16] Reprinted as "Information Respecting Reciprocity and the Existing Treaties." Washington: Government Printing Office, 1901.

opening foreign markets to our products. In this address, too, he reasserted that the treaties were within the lines of protection and contended that the agreement negotiated under the act of 1897 and proclaimed by the President had already clearly demonstrated the beneficial influence of the reciprocity policy. There was, however, a strong and distinct trend of thought, and much intelligent argument by publicists in support of the reciprocity treaties. The verdict of the independent and of the more rational Republican journals was for them. These things produced their effect on the minds of the less benighted politicians. President McKinley understood the situation. He had seen, of course, that there was little, if any, prospect of pushing the reciprocity treaties through the Senate without arousing a storm which, in the face of the approaching Presidential campaign, he did not deem it wise to meet. Mr. McKinley knew, however, that the idea of tariff reform was by no means dead. He had no intention whatever of abandoning the reciprocity policy until it should become very much more apparent that the sentiment of the people was opposed to it. He sought, therefore, to have it understood that his administration was still favorable to reciprocity, and in order that this might be done with good color of truthfulness, he secured an extension of those treaties whose time of ratification was shortly to expire. Thus Mr. McKinley was able to face the country with a record of several treaties actually made, proclaimed, and put into effect, and several more negotiated and only awaiting action on the part of the Senate and House of Representatives to become effective. To the people at large he could represent himself as a strong champion and ardent defender of reciprocity, while the party managers could say to the protected interests not only that they had, as a matter of fact, declined to listen to the reciprocity proposals of the administration, but that they would during future sessions continue to do so.

That President McKinley would be renominated for a

second term was, of course, a foregone conclusion; that he would be re-elected was less certain, but a re-election would still be the logical outcome of the existing situation. Things were practically in the President's hands and almost the only cloud on the political horizon was the fact that the cost of living was noticeably on the increase, and that the export-price question was being brought home to the people as one result of the high tariff policy. Mr. McKinley was wise enough, and keen politician enough, to recognize the facts of the situation. A good many pieces of evidence, many of them unofficial in character, indicate strongly that prior to the opening of the campaign of 1900 he had come clearly to the conclusion that the tariff policy was being carried too for.

A brilliant victory won at the polls in November almost seemed to warrant the President in supposing that he could act as he pleased with reference to public questions. His popularity seemed to be unbounded. The tariff had received much less attention than had been expected for it, and the free trade agitation was seemingly almost dead. Yet in his annual message to Congress at the opening of the session of 1900-1901 Mr. McKinley again endorsed reciprocity.

"The policy of reciprocity so manifestly rests upon the principles of international equity, and has been so repeatedly approved by the people of the United States that there ought to be no hesitation in either branch of the Congress in giving to it full effect." [17]

Congress, however, took no action. It was scarcely to be expected that a problem certain to arouse the debate which would inevitably break out over the reciprocity proposal should be initiated during the limited time of a short session. Little or nothing was heard concerning reciprocity, and President McKinley felt himself obliged to recur to the subject once more in his inaugural address. On that occasion, March 4, 1897, he said:

"In the revision of the tariff, especial attention should be given

[17] President's Annual Message, December, 1900.

to the re-enactment and extension of the reciprocity principle of the law of 1890, under which so great a stimulus was given to our foreign trade in new and advantageous markets for our surplus agricultural and manufactured products. The brief trial given this legislation amply justifies a further experiment and additional discretionary power in the making of commercial treaties, the end in view always to be the opening up of new markets for the products of our country, by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people, but tend to increase their employment." [18]

We have seen that the first of the reciprocity treaties had been submitted to the Senate at the opening of Congress in the Winter of 1899-1900, and that the session had slipped away without any action whatever. It had been supposed that certainly during this long session they would receive full consideration and would be acted upon in some way, and it had really been a considerable surprise to the public when it turned out to be impossible to spur the Senate to a realizing sense of what was expected. We have seen how vigorous were a few interests in their effort to prevent action upon certain of the treaties, and it seems to have been felt that it was of little use to ratify one unless all were ratified, inasmuch as such action might give offense to the countries whose treaties were rejected.[19] The chief workers

[18] Inaugural Address of President McKinley, March 4, 1897. Journal of the Senate, Special Session, March 4, 1897, p. 193.

[19] One interesting feature of the negotiations under the Dingley act is found in our proposed treaty with Russia. Russia, during 1900-1901, manifested a strong disposition to discriminate against us and in the course of the tariff controversy which followed, it turned out that negotiations which had been undertaken with Russia had been broken off by our government. It seemed that the details of the agreement had been practically completed and that they concluded concessions of considerable value to our exports, both of manufactured and agricultural character. The lists had been approved by the government at St. Petersburg and the concessions asked for in return had been extremely moderate. Our government, however, had not thought it best to continue negotiations which would very probably be fruitless, judging from the recent experience with reciprocity treaties, and it therefore abruptly terminated the negotiation. Pursuant to section five of the Dingley act, providing for countervailing duties, Secretary Gage immediately after the negotiations had been concluded imposed a duty upon Russian sugar which was promptly met by a sharp increase on American steel and iron manufactures and a tariff war between the two countries was fairly open. (*The Independent*, Vol. 53, pp. 509-510. "The President's Treaties of Reciprocity.")

It was no wonder that the countries of Europe felt considerably aggrieved at the Dingley tariff and that they regarded some problematical reciprocity treaties in addition to the very minute concessions made through the agreements negotiated

who had prevented action during the long session, 1899-1900, had been a few Senators who felt that they must carry out the wishes of constituents who imagined themselves affected by the treaties. By judicious influence and by active stimulation of the fear of tariff revision among their associates, these men were able to hold back any action on the part even of the Committee of Foreign Affairs. Among those who had been most vigorous were, of course, the knit-goods and cheap jewelry interests, but there was also a loud outcry from the fruit-growers of California and from certain wool-growers in the West.[20] These interests now renewed their efforts and the short session of 1900-1901 passed away, like its predecessor, without action. The persistent failure of the Senate to act with reference to the reciprocity treaties would have thrown all the agreements aside had it not been that steps were taken by the Executive for the purpose of extending the duration of the agreements. The Dingley Act had specified that the treaties were to be negotiated within two years after the passage of the act and under this clause in the law it might, therefore, have been impossible to negotiate new treaties. This made it very necessary that those which had already been arranged for should be maintained if any concessions in the direction of reciprocity were ever to be wrung from Congress. Toward the end of the time within which it was necessary to ratify

---

and proclaimed by the President as an exceedingly small compensation for the trade they lost. Germany was particularly affected by the Dingley tariff. In 1897, German exports to this country had been $94,000,000, but in 1898 they declined to $77,000,000, a falling off of $17,000,000. In the face of the fact that Germany was necessary to us as a buyer of food, raw materials and certain manufactured goods, we dealt the exporting interests of that country a severe blow at a time when a tariff commission in that country was just on the point of devising and presenting new schedules for an enactment into law. It was a foregone conclusion that these schedules, unless we should ward off the threatening danger by a suitable reciprocity or other arrangements, would be highly unfavorable to us. (A review of our position with reference to Germany may be found in the *Forum*, Vol. 28 (December, 1899), pp. 493, 502, in an article on "The Commercial Relations of the United States and Germany," by J. H. Gore.)

[20] A sketch of the situation in the Senate may be found in the *New York Independent*, Vol. 52, pp. 2897-99, in an article on "The Reciprocity Treaties and the Senate," by Hon. John W. Foster. In this article, the notion is advanced, that the demand for reciprocity arose out of the fact that over-production had occurred in consequence of protection, and that with this over-production had been developed a need for larger markets which could best be secured by the negotiation of reciprocity treaties.

the agreements negotiated with Great Britain, steps were taken for the purpose of securing an extension. On March 6, 1900, Secretary of State Hay and Lord Pauncefote signed an article additional and amendatory to the commercial convention for British Guiana, Turks and Caicos Islands, Bermuda and Jamaica. By this article the period for the ratification of the several treaties was extended twelve months from March 16, 1900.[21] About a year later (April 27, 1901,) an additional article to the convention with the British colony of Barbados (of June 16, 1899) was signed, whereby the period for ratification was extended twelve months from April 27, 1901, thus carrying it to April 27, 1902.[22] On March 5, 1901, Secretary Hay and Lord Pauncefote extended the first group of treaties already spoken of twelve months from March 16, 1901, and by later supplementary conventions the period for the ratification of these treaties was extended to cover the short session of Congress, 1902-1903. After the death of Lord Pauncefote and the coming of Ambassador Herbert, in October, 1902, a supplementary convention extending the time of ratification of the treaty with Barbados by six months was also signed October 26, 1902. Thus all the British treaties were extended over the short session of Congress, 1902-1903.

With the Argentine Republic a supplementary convention was signed May 6, 1901, by William P. Lord, Minister Plenipotentiary of the United States and the Argentine Minister of Foreign Relations, whereby the period of ratification of the commercial treaty with the country signed July 10, 1899, was extended eighteen months from May 6, 1901.[23] A similar convention extending the period for the ratification of the treaty with Nicaragua of October 20, 1899, was signed on June 25, 1900, by Secretary Hay and the Minister Plenipotentiary of Nicaragua. By this document the period for the rati-

[21] 57th Congress, 1st session, Senate Executive A, part 2.
[22] 57th Congress, 1st session, Senate Executive H, p. 3.
[23] 57th Congress, 1st session, Senate Executive F, p. 2.

fication of the commercial treaty was extended twelve months from June 25, 1900.[24] On June 25, 1901, David J. Hill, Acting Secretary of State, and F. L. Vasquez, Consul General of the Dominican Republic at New York, signed a supplementary treaty extending the period for the ratification of the agreement with the Dominican Republic eighteen months from June 25, 1901.[25] Mr. Hill also jointly signed with the Danish Minister at Washington, Mr. Brun, a supplementary treaty under date of May 9, 1901, by which the period for the ratification of the commercial treaty with St. Croix, signed June 5, 1900, was extended eighteen months from May 9, 1901.[26] On March 8, 1901, a supplementary treaty was signed by which the period for the ratification of the French treaty of July 24, 1899, was extended eighteen months from March 24, 1901. A further supplementary treaty has been signed with France. This extended the time for the ratification of the treaty with France long enough to cover the coming short session of Congress (twelve months from September 24, 1902).[27]

It had become evident that, for the present at least, there was nothing to be expected in the way of congressional action on the reciprocity treaties. That being so, it would have been worse than useless to negotiate more of them with other countries in the face of the fact that it was impossible to secure the ratification of those which already had been worked out. Partly in consequence of this situation, Mr. Kasson delivered his resignation as special commissioner to the President, March 9, 1901. Speaking of this occurrence, the New York *Tribune*[28] wrote as follows:

"The resignation of John A. Kasson, as special plenipotentiary, charged with the negotiations of reciprocity treaties and arrangements, was placed in the hands of the President by Mr. Kasson before he left Washington for Florida yesterday. The President has withheld

[24] 56th Congress, 2d session, Senate Executive D, p. 5.
[25] 57th Congress, 1st session, Senate Executive J, p. 2.
[26] 57th Congress, 1st session, Senate Executive G, p. 2.
[27] 57th Congress, Special session, Senate Executive A.
[28] March 10, 1901, p. 3, col. 4.

his acceptance, strongly urging Mr. Kasson to remain in the service of the government, and the matter is still in abeyance."

Mr. Kasson's resignation had been announced as becoming effective April 19, 1901. On the day following the date when it was to become effective, the *Tribune* further recurred to the incident as follows:

"John A. Kasson has severed his official connection with the State Department, where he has been since the beginning of Mr. McKinley's administration. * * * Mr. Kasson holds himself ready, however, to respond to any call of the Department for the special information of which he is possessed. The Bureau in the State Department, which he organized, will continue in existence, so that the highly trained expert force may be of service at short notice whenever the Secretary of State decides to resume reciprocity negotiations." [29]

After Mr. Kasson's retirement, the "highly trained expert force" to which that journal had referred, continued on salary, but since then it has never been necessary for the Secretary of State to call upon its members for anything more than routine duties.

The failure of the Senate to ratify the reciprocity treaties, during the short session of 1900-1901, produced a considerable effect even upon the minds of many persons who had theretofore been counted ardent adherents of the protective policy. Other causes were at work in the same direction, for it became more and more evident that sundry European countries, angered by the unjust provisions of the Dingley Act, were introducing systems of retaliatory customs legislation. As we have just seen, Mr. McKinley had on several occasions during the earlier part of 1901, and even before that, made use of expressions which seemed to indicate that he had experienced some change of heart on protection. These, however, were held by many persons to be merely ambiguous utterances which meant no more to one side of an argument than to the other. There seems to be evidence, however, that the Presi-

[29] *Ibid.*, April 20, 1901.

dent was, during 1901, growing more and more definite in his views on reciprocity. When he undertook to speak at the Buffalo Exposition, September 5, 1901, he used words which committed him unreservedly to the reciprocity idea and which, after the tragedy resulting in the death of the President, were taken by reciprocity believers as their watch-word. Among other things Mr. McKinley had said at Buffalo that:

"The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. * * * Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not. If, perchance, some of our tariffs are no longer needed for revenue, or to encourage and protect our industries at home, why should they not be employed to expand and promote our markets abroad?"

It was true that the President partly injured the effect of this declaration by providing that the end in view was to be attained "by sensible trade arrangements which will not interrupt our home production;" and further weakened his position by limiting his remark with the words "we should take from our customers such of their products as we can use without harm to our industries and labor." All of these dubious and hesitating limitations upon his main argument were, however, lost in the tumult of surprise that the President should have so vigorously expressed himself on reciprocity in general. The death of Mr. McKinley gave his speech a factitious value, which it could never otherwise have acquired, and greatly stimulated the demand for reciprocity as the policy advocated by the President in his last words to the people. This general feeling had its effect; and among other events which may be partly attributed to the impetus thus given to reciprocity was the action taken at the meeting of a special committee of The National Association of Manufacturers, which took place in Philadelphia, October 19, 1901. At that meeting there was issued a call for a national reciprocity convention to be held at Washington, November 19, in order to discuss the practicability

of commercial reciprocity as a means of expanding foreign markets. This convention was loudly heralded in the press as an event which would result in focussing an outraged and indignant public opinion upon an unwilling Congress, which was practically refusing to gratify the peoples' hopes of proper trade relations with foreign countries. The convention came together in due form, and after a few days of debate it disbanded, leaving behind it only a set of perfunctory and pointless resolutions recommending a reciprocity commission and a department of commerce. The great trouble with the meeting was that the only persons represented in it were manufacturers, each of whom desired to maintain his own protection although perfectly willing to buy new markets for his own goods by sacrificing the protection of some other domestic producer. If one were to judge by the utterances at the reciprocity convention, the meaning of the term "reciprocity" was in fact nothing more nor less than the sacrifice of duties on the goods of some one other than the speaker. The tone of the convention was strongly in favor of protection as may be indicated by the words of Mr. Charles H. Clark, the editor of the *Textile Record*. In discussing the protective question, he used the following language:[30]

"There are industries that, perhaps, no longer need protection, but others still require it, and the interests of these are to be considered quite as carefully as the demands of the stronger industries for foreign markets. The right of the less fortunate manufacturer to continued protection is quite equal to that of the other man to make gains for himself by mutilating the system that made him so strong. * * * No man can tell where change will end if change shall be begun. The political party that is in power because it pledged itself to sustain the protective system cannot afford to repudiate any part of it. It is committed to no form of reciprocity that involves sacrifice of any home industry."

In short, the Washington reciprocity convention instead of focussing public opinion in support of the Kasson treaties,

[30] *The Protectionist*, Vol. 13, pp. 468-9.

practically repudiated those treaties at a time when Congress was just about to meet, and furnished some justification for Congressmen to continue their evasive attitude toward the whole subject. When the session of 1901-1902 opened, reciprocity had reached what seemed to be its lowest ebb, particularly as the general question had for the time being been wholly swallowed up in one phase of the matter, which had become acute just about the end of the year 1901. This was the problem of our treatment of Cuba, which constituted the main bone of contention during the session, and which furnished practically the only discussion of reciprocity for the year 1902. This phase of the question will be dealt with in the following chapter.

In reviewing the causes which have so far contributed to the defeat of reciprocity, there is one of great importance which is frequently neglected in current discussion. When our manufacturers first began to reach out for foreign trade, they found themselves confronted by foreign tariffs and by the antagonistic influence of domestic producers in the countries they sought to enter. Moreover, so long as there was active competition in a given industry within the limits of the United States, it was almost impossible for one manufacturer to get so far ahead of his rivals as to control the export business. If foreigners wanted American made goods, they could almost always succeed in playing off American manufacturers against each other. Not only, therefore, did our producers have to face competition at home, a fact which resulted in holding prices down, but they also found themselves met by foreign competition whenever they attempted to invade a new market. There were only two ways in which they could succeed in getting control of these new markets. They must either manufacture goods of a distinctly different and peculiar character which would, in a way, enjoy a monopoly among foreign consumers, or else they must produce the goods to which consumers were already accustomed, but let them have

these at lower prices than they could be obtained for at home. The presence of competition between American manufacturers prevented our producers from succeeding along either of these lines. In the first place, where several firms were struggling for the export trade, there could be no such monopoly of American made goods as that just hinted at. On the other hand, so long as competition kept prices low at home, the American manufacturer could not afford to sell goods abroad at prices so low as to guarantee him the market. So soon, however, as the trust movement had fairly got under way, a radical change was introduced into this condition of affairs. A combination at home of all the firms in one industry meant necessarily that those in control of that industry could dictate the price at which the commodity should be sold behind the tariff bars by which it was protected. Moreover, it meant production on a large scale with the corresponding possibility of cheapness in the units of commodities turned out. This meant that, after a fair profit had been realized at home, it might be possible to go on turning out unit after unit for the benefit of foreign consumers who were thus enabled to obtain the goods very much more cheaply than would otherwise have been the case. Of course the necessary result of this process was that the burden of both home and foreign tariffs was largely saddled upon the American consumer. It is easy to see how this growth of the so-called "export price system" weakened the desire for reciprocity among manufacturers. A cut in tariff at home meant that the home market might be invaded by foreign producers. Maintenance of the home tariff, however, implied that the exploitation of the domestic consumer was retained for the sole benefit of the trust managers who, by selling at high prices here and producing on a large scale, were able to insure themselves the outlet for their goods, which they might formerly have sought through a reciprocity policy. In short, the situation was now radically altered. The demand for reciprocity, as a provider of foreign

markets, became very much weaker as manufacturing assumed a consolidated form. The contest now, so far as it existed at all, was carried on between different industries. Thus, for instance, producers of steel rails would be glad to see a reduction of foreign tariffs on steel, provided this could be paid for by the reduction of our own tariff on wool and vice versa. The situation was thus quite altered, as compared with that which had existed at the time when a variety of plants of different degrees of efficiency, some able to compete with foreigners and some not, had been doing business in a competitive way within the United States. With the growth of the industrial combinations an entirely new phase of our tariff history, and contemporaneously therewith, an entirely new phase of the reciprocity struggle, had been entered upon.[31]

[31] One phenomenon which illustrates better than anything else the changed temper of the times toward reciprocity and tariff reform, is found in the work of the Industrial Commission. President McKinley had come into power at the beginning of his first term on the shoulder of the conservative classes of the country, who had indicated their determination to uphold the honesty of our monetary standard. There was no doubt, however, that these conservative and consuming classes, including many professional men of the nation, had been greatly wrought upon by the growth of industrial combinations and by other displays of power on the part of aggregated capital. This fear and distrust greatly deepened within the two years first succeeding President McKinley's accession to office. The trust question reached an acute stage. President McKinley determined to resort to his favorite plan—the Commission idea. The Industrial Commission was appointed by him to consider all phases of industrial life in the United States, and early in 1902 it presented a final report. This report was Volume 19 in a series of volumes which gathered together a strange mass of information—some of it very valuable—about all departments of commerce and industry. Leaders of thought in the commercial world had been summoned and had given their testimony, in many instances, very freely. Yet in the final report, which of course had been largely anticipated, there was little about tariff revision, and scant discussion of the subject of reciprocity. Although the commission talked in a most learned way about modes of industrial education, better transportation between the United States and South America, the establishment of banks and other instrumentalities for promoting foreign trade, etc., it did not press the most obvious of all considerations—that of removing some of the fetters by which industry was then shackled in its efforts to promote our foreign commercial relations.

CHAPTER XI

THE STRUGGLE FOR RECIPROCITY WITH CUBA

A NEW stage in the history of reciprocity opened with the session of 1901-1902. President McKinley, as we have seen, had been at once succeeded by Vice-President Roosevelt, who, on taking the oath of office gave an informal pledge to continue the policies of his predecessor so far as practicable. As we shall presently see, it was supposed that President McKinley had definitely committed himself to the support of reciprocity with Cuba, and this, therefore, was one of the inheritances thought to be carried over from the McKinley administration to its successor.

In his first annual message to Congress, presented at the opening of the session, 1901-1902, President Roosevelt used the following words:

"In Cuba such progress has been made toward putting the independent government of the Island upon a firm footing that before the present session of the Congress closes this will be an accomplished fact. Cuba will then start as her own mistress; and to the beautiful Queen of the Antilles, as she unfolds this new page of her destiny, we extend our heartiest greetings and good wishes. Elsewhere I have discussed the question of reciprocity. In the case of Cuba, however, there are weighty reasons of morality and of national interest why the policy should be held to have a peculiar application, and I most earnestly ask your attention to the wisdom, indeed to the vital need, of providing for a substantial reduction in the tariff duties on Cuban imports into the United States. Cuba has in her constitution affirmed what we desired, that she should stand, in international matters, in closer and more friendly relations with us than with any other power; and we are bound by every consideration of honor and expediency, to pass commercial measures in the interest of her material well-being."

He thus unhesitatingly declared himself for Cuban reciprocity. He did more than this. He put the matter before Congress in such a way that it could not escape the consideration of the subject. He did not allow the political tricksters quietly to shirk the reciprocity issue as they had done for several sessions past, but he employed all the machinery at his command to force the issue upon Congress and compel that body to declare itself one way or the other. In view of the contest which broke out over the Cuban question, and which threatened to disrupt the Republican organization, it is necessary to consider with some detail what were the grounds upon which the contest was to be waged and what were the ethical and legal, as well as the economic, rights involved in it. To do this it will be necessary to go back for a moment and review the history of our relations with Cuba during the past two years.

As we have seen in earlier portions of this book, reciprocity with Cuba had already several times been tried and on one occasion had been put into operation (under the McKinley Act). It was also observed that under the original reciprocity treaty with Cuba the situation produced was very similar to that created by our treaty with the Hawaiian Islands, except that so far as we were concerned, Cuba was a much better country than the Hawaiian Islands to trade with. We saw that, under the McKinley treaty, trade with Cuba took a tremendous upward swing, sugar imports being large and our exports to the Island increasing in a striking proportion. The reimposition of the tariff on sugar under the Wilson Act had undoubtedly had some injurious effect upon this trade, although it did not immediately show the most serious results. The pressure of bounty-fed sugar from Europe had not then become so intense as was the case a short time later, and there was still a possibility of producing sugar at a profit, certainly with good machinery under favorable conditions, as well as of exporting it to the United States in competition with bounty-fed

sugars. This process was rendered more practicable by the countervailing duty assessed by the Wilson Act upon sugar coming from countries which paid an export bounty to their producers of the article. How matters would have progressed in Cuba, had there been no interruption and had the cane plantations been left to develop under peaceful conditions, cannot be stated. They might have been able to cope with the high rates of the Dingley bill, if there had been no other check to their industrial development. But conditions in Cuba had for a long time been disturbed and, shortly after the passage of the Wilson bill, they assumed a much worse phase than ever before. A revolution had been smouldering for some time with periodical attempts on the part of Spain to stamp it out. These attempts were successful only in a limited measure. In February, 1895, martial law was declared in the Island and the revolutionary spirit at once burst into flame. Between the 15th of July and the 7th of the following August a so-called provisional government was established by the revolutionists. A sentimental regard for Cuba had long existed in the United States and, from the beginning of the revolutionary outbreaks, various efforts had been made in a sporadic way by American citizens to aid Cuba by bringing supplies and arms to the revolutionists. It seems clear that small depots for providing supplies had been established at various points on our Southern coast. President Cleveland, who was then in office, of course could not approve of these undertakings and therefore issued a proclamation on June 12, 1895, declaring our neutrality in the combat. As the year 1895 drew to a close, a vigorous agitation in favor of the Cuban revolutionists sprang up in the United States, which was aided by the work of sundry newspapers of the more sensational type, which published false reports and misleading statements concerning affairs in Cuba. Some disagreeable diplomatic incidents shortly after added to the difficulties of the situation. We have seen that Mr. Bryan had been defeated

in the autumn of 1896, and that President McKinley had gone into power largely by the votes of the conservative classes of the country who feared a debasement of our currency and an overthrow of the foundations of economic solidity. Yet, the newly inaugurated government of Mr. McKinley did not seem willing to cope with the very questions for whose settlement it had been elected. Notwithstanding the repeated pledges of President McKinley himself and of other Republican leaders, no effort was made to deal with the currency question. At the special session of Congress, indeed, called immediately after Mr. McKinley's induction into office, Congress was almost entirely occupied in dealing with the tariff question. This, however, was no excuse for the general inactivity on other issues which existed for a long time afterward. The Republican leaders saw clearly enough that unless circumstances should develop, tending to concentrate public attention upon some other problem, the country, already so wrought up concerning currency conditions, would continue to insist upon measures for the improvement of the monetary system. McKinley's majority had, however, been small, and the party of those who believed in silver was far from inconsiderable. It was felt that the currency debate ought to be postponed for some time to come. The most convenient means for postponing action was inactivity in Congress and the pretense of dealing with other subjects to the exclusion of the currency question. Various currency measures were urged at the outset but they got no attention. Influential men in the House, when asked what was to be done with the currency, smilingly responded that the session would probably be devoted to discussing Cuban affairs. Already on May 20, 1897, the Senate had passed a resolution recognizing Cuban belligerency. This was a tribute to the public opinion of the country, stirred up as it had been by the inflammatory and sensational accounts of conditions in the Island. The excitement on the Cuban situation did not decrease during the summer and autumn of 1897. Shortly

after Congress opened an effort was made to distract attention from the currency and to fan the flame of excitement by denunciatory speeches about Spanish cruelty and misrule. Nothing was easier than to indulge in "war talk." A great deal of such talk was heard from both sides of the Capitol, and it had the effect of making our relations with Spain much more strained than had ever before been the case. That this whole matter would have passed off in a mere frothy outburst of popular wrath, had it not been for extraordinary circumstances, may well be believed. It seems probable that with or without successful diplomacy on our part, looking to the relief of the Cubans, the fever of popular indignation would have burnt itself out while the politicians at the Capitol, having gained their object of distracting popular attention, would have found themselves obliged to swallow much empty talk about Cuban conditions.

An extraordinary event, however, intervened. An American battleship, "The Maine," had been sent to Havana for the purpose of general surveillance and protection of American interests. It was blown up on the night of February 15, 1898, supposedly by Spanish agencies. Reparation was demanded, and this being refused on the ground that the work was not done by Spanish agents, the two countries were pushed closer to war than ever before. Certain demands had been presented by the McKinley administration to the Spanish Government. These demands were at first declined. They included a practical withdrawal of Spanish forces from Cuba and looked to the ultimate recognition of Cuban independence. As war seemed to approach closer, the authorities at Madrid became painfully conscious of the fact that they were in no condition to cope with the United States. President McKinley at first did his best to avoid war, but later, when he saw that the sentiment of the country had reached a pitch where it was no longer under control, he yielded. Refusing at the last moment to consider a proposition cabled him by our Minister

at Madrid, which would undoubtedly have gained all our claims for Cuba and given us a brilliant diplomatic victory, the President allowed himself to be pushed into war. War was, in fact, declared by the resolutions of the House and Senate. Through the action of the administration it actually began on April 21. It is unnecessary to review the details of the Spanish-American contest. As everybody now knows, it resulted in the destruction of the Spanish fleet at Santiago, and the practical subjugation of important places in Cuba by our land forces. The contest was over in substance by the middle of July and a treaty of peace was signed at Paris on the 10th of December. Cuba was formally transferred to the control of the United States on January 1, 1899, while Porto Rico was evacuated by the Spanish on the 18th of the following October. It was understood that we should retain full possession of Porto Rico as an American territory, and that Cuba should be governed by us until an independent government could be set up.

Why did we not take Cuba as we did Porto Rico? The truth was, that the sentiment of the country would at the time hardly have permitted such a step. From the outset we had engaged in the struggle on a basis which was nominally at least non-partisan, self-denying, and disinterested. In the joint resolution approved April 20, 1898, and entitled "For the recognition of the independence of the people of Cuba," etc., we had specifically authorized the President to "leave the government and control of the Island of Cuba to its people," so soon as practicable. The most solemn pledge had been given. We should have stood a nation of self-confessed hypocrites had we attempted to annex the Island as the result of the war.

A military government was necessarily the form of control at first undertaken by us. In a comparatively short time, much was done toward setting the affairs of the Island in order. Great advances were made in restoring peace and providing

for transportation, sanitation and other much needed changes. It became perfectly evident, however, that as soon as we assumed charge, the aid most needed was a market in which the planters could readily dispose of their products at a profitable figure. How tonic an affect might be exerted on industrial conditions by providing such a market was apparent from the experience of Porto Rico, which immediately after American occupation entered upon a steady course of growth and development. The natural avenue through which to obtain this market was the negotiation of a reciprocity treaty with the United States. No sooner had such a proposal been made, of course, than a host of quibbling objectors sprang up. Such a treaty could be negotiated only under the Dingley Act. It could not be negotiated between our State Department and the American administrators, then in the Island, for this would be hardly more than a treaty between our State and War Departments. It would be a farce. Of course, it was seen that Congress could pass an act authorizing the reduction of duties on Cuban products imported into the United States. But would it do so? The outlook was gloomy. Porto Rico was having great difficulty in gaining free admission for her goods, the free trade idea being very unfavorably received by the protected interests of the United States. If these interests were opposed to free trade with Porto Rico, they would be equally opposed to free trade with any other country, and this opposition would increase in proportion to the importance of the country in question as a competitor in the products they themselves had to dispose of. It was not desired by those who opposed Cuban reciprocity, or trade concessions to the Island in any form, that the question should be suffered even to come up. Its consideration was, therefore, skilfully postponed from time to time. Preparations, however, continued for turning the Island over to its inhabitants, as provided for in the original resolution of the Senate at the time when war was declared. A constitutional convention was called in Cuba for the purpose

of framing a government and constitution, and the delegates at last gathered on the 5th of November, 1900. By the 11th of the following February (1901) the constitution was completed and accepted in its final form. It was signed February 21.

The call for a Cuban constitutional convention had been issued by Governor General Wood under date of July 25, 1900, as Civil Order No. 301. As stated in this Order, the object of the convention was three-fold:

(1) To frame and adopt a constitution;

(2) To provide for the election of officers under the new government.

(3) To provide for and agree with the Government of the United States upon the relations to exist between that government and the government of Cuba.

From the very outset the third of these features of the Order had aroused general protest in Cuba. Governor Wood recognized the feeling on the subject in Civil Order No. 455, dated November 9, 1900, and addressed to the delegates of the convention. In this order he modified No. 301 in substance by the statement that "it will be your duty first to frame and adopt a constitution for Cuba, and when that has been done to formulate what, *in your opinion,* ought to be the relations between Cuba and the United States." Thus the duty of the delegates with reference to the United States was made merely that of expressing an opinion, rather than of definitely framing a policy.

There can be no doubt that there had grown up in the United States, subsequent to the Spanish-American war, a strong sentiment of national imperialism, which had never before existed. As the time drew near for withdrawal from Cuba, the number of those who were loath to let go of the Island rapidly increased. The sugar interests were reluctant to give up such a source of raw material for the supply of their refineries; and many other interests, which had capital invested in Cuba, or which saw there a favorable opening

for investment, did not like to see the Island transferred from the Americans to a native government which would be far less likely to maintain law and order and to protect foreign capital. From the opening of the Congressional session of 1900-1901, there was never a moment's doubt that something would be done by the United States to retain control in the Island, although we were not yet prepared to drop the mask so openly as would be done by forcible annexation.

Immediately after the practical completion of the Cuban constitution on February 11, a committee was appointed to prepare and submit to the convention plans for establishing relations with the United States. An observer then on the spot[1] states that it seemed very certain that the relations to the United States to be suggested by this committee would include the following elements:

(1) Conduct of Cuban foreign affairs for two years after independence through representatives of United States, the United States to occupy Cuban forts during that period.

(2) The lease of coaling stations to the United States.

(3) The grant of all commercial advantages to the United States ever given to any other nation.

The adoption of some suggestion in accordance with such an outline of relations with the United States was probably prevented by the interference of the administration at Washington. The United States was, of course, practically committed to a policy of non-interference in the proceedings of the Cuban convention. The impression, however, grew stronger in administration circles that the Cubans were acting, or were likely to act, with too great a degree of independence. On the morning of February 15, a communication was received by Governor General Wood outlining President McKinley's idea of Cuban relations and intended as a "hint" for the guidance of the convention. This hint was communicated in a very informal

[1] Mr. Albert G. Robinson, who has reviewed the proceedings of the convention in the *Forum*, Vol. 31, pp. 401-412.

way to the President of the Convention and to other leading men by Governor General Wood. On the 21st of February, another suggestion from the President was received by Governor Wood and was transmitted to the convention. This was a "suggestion" as to the decision properly to be reached by the convention, and amounted to a request that the United States should be allowed to break the joint resolution of April, 1898. President McKinley's hints, or demands as they might with more propriety have been called, covered a considerable variety of topics. They insisted upon the maintenance of peace and a stable form of government and the adoption of such provisions as would conduce to that end. They insisted also that suitable steps should be taken for safeguarding the credit of the Island, for protecting foreign inhabitants, and for avoiding diplomatic complications with other powers. It was also insisted that protection be guaranteed to American commercial interests against all unreasonable tariff discriminations. Furthermore it was suggested that two naval stations in the Island be held and maintained by the government of the United States. President McKinley expressed a wish that the Convention should adopt such measures as would prevent a repetition in Cuba of the experience of Haiti and Santo Domingo. These hints from Mr. McKinley gave great offence and resulted in the submission of proposals very different from either the President's hint or suggestion, and quite different from the tentative proposal generally talked of prior to the reception of the word from him. The Convention, however, could not help recognizing the facts in the situation. On the 27th of February it finally adopted an "opinion," as it had been ordered to do.

Future relations with the United States had already been discussed in a secret session of the Convention held on the 16th of February. At this session most of the members had opposed the policy of locating coaling stations on the coasts of the Island and they had also frowned upon the idea of granting to the

United States permission to intervene for the sake of peace. They had suggested that relations between the United States and Cuba should be left to the Cuban Republic to settle. When it finally came to the task of adopting some definite plan covering relations with this country, the committee of the Convention which was dealing with the problem asserted a belief that the object of the United States was to preserve the independence of Cuba. It then went on to express the opinion that the establishment of naval stations "would militate against the independence which both parties desire to preserve." As for the other conditions suggested by us such as the power to control loans it was pointed out that the constitution fully provided for these matters and amply protected the independence of the Island. In a general way, the work of the special committee resulted only in a recommendation that the convention should adopt certain new clauses in the constitution which should bind the Island not to enter into treaties with foreign powers limiting her own independence, and should forbid the use of Cuban territory as a basis for operation against any country. It was also suggested that there should be some declaration accepting the treaty of Paris and substituting the Cuban government in place of that of the United States as a guarantor of the obligations undertaken in that document. It was recommended that the new government recognize all acts of the American military occupation as valid. Further it was urged that Cuba and the United States should regulate their commercial relations by means of a reciprocity treaty looking forward to a free trade regime. The opinion was expressed by the committee that the constitution as already adopted provided very fully for the matter of loans, sanitation, etc., while the naval stations were something for which we had no right to ask.

Almost simultaneously with the action of the Convention in Cuba, official steps were taken at Washington to make clear the attitude of the United States. The provisions which later

became the so-called "Platt Amendment" were presented to Congress.

The point about which much of the discussion of our relation to Cuba has centered, is found in the so-called Platt amendment to the Cuban Constitution. It has been maintained that by the acceptance of this amendment the United States practically assumed control of Cuba or gave that Island the status of a dependency in a way that practically implied an obligation on our part to look after its future welfare. Constant appeal has been made to the Platt amendment as the unquestionable ground upon which all claims concerning our duty to Cuba must ultimately rest. This attitude of mind on the part of a large section of the press and of the public makes it desirable to analyze carefully the responsibilities assumed by the United States and the duties imposed upon Cuba in consequence of the Platt amendment.

February 25, 1901, the Army Appropriation bill being then under discussion, Senator Platt of Connecticut introduced a series of resolutions setting forth the relations of the United States to Cuba. These resolutions were put in the form of an amendment to the Appropriation bill and were so adopted by the Senate on the 27th, by a vote of 43 yeas to 20 nays.[2] The Platt amendment in the form in which it was ultimately adopted, read as follows:

"That in fulfillment of the declaration contained in the joint resolution approved April 20, 1898, entitled, 'For the recognition of the independence of the people of Cuba, demanding that the government of Spain relinquish its authority and government in the Island of Cuba, and to withdraw its land and naval forces from Cuba and Cuban waters, and directing the President of the United States to use the land and naval forces of the United States to carry these resolutions into effect,' the President is hereby authorized to 'leave the government and control of the Island of Cuba to its people' so soon as a government shall have been established in said Island under a constitution which, either as a part thereof or in an ordinance appended

[2] *Congressional Record*, 56th Congress, 2d session, Vol. 34, pp. 2954 and 3152

thereto, shall define the future relations of the United States with Cuba, substantially as follows:

"I. That the government of Cuba shall never enter into any treaty or other compact with any foreign power or powers which will impair or tend to impair the independence of Cuba, nor in any manner authorize or permit any foreign power or powers to obtain by colonization or for military or naval purposes or otherwise, lodgment in or control over any portion of said Island.

"II. That said government shall not assume or contract any public debt, to pay the interest upon which, and to make reasonable sinking fund provision for the ultimate discharge of which the ordinary revenues of the Island, after defraying the current expenses of government, shall be inadequate.

"III. That the government of Cuba consents that the United States may exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property and individual liberty, and for discharging the obligations with respect to Cuba imposed by the treaty of Paris on the United States, now to be assumed and undertaken by the Government of Cuba.

"IV. That all acts of the United States in Cuba during its military occupancy thereof are ratified and validated, and all lawful rights acquired thereunder shall be maintained and protected.

"V. That the government of Cuba will execute, and, as far as necessary, extend the plans already devised or other plans to be mutually agreed upon, for the sanitation of the cities of the Island, to the end that a recurrence of epidemic and infectious diseases may be prevented, thereby assuring protection to the people and commerce of Cuba, as well as to the commerce of the Southern ports of the United States and the people residing therein.

"VI. That the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba, the title thereto being left to future adjustment by treaty.

"VII. That to enable the United States to maintain the independence of Cuba, and to protect the people thereof, as well as for its own defense, the government of Cuba will sell or lease to the United States, lands necessary for coaling or naval stations at certain specified points, to be agreed upon by the President of the United States.

"VIII. That by the way of further assurance the government of Cuba will embody the foregoing provisions in a permanent treaty with the United States."

The Army Appropriation bill containing this amendment was adopted by the Senate February 27, 1901, and finally became law March 2, immediately following. As soon as the provisions of the Platt amendment had become known in Cuba there ensued a period of heated discussion. Many maintained that the Platt amendment would practically result in destroying Cuban independence. The right retained by our government in clause III to intervene for the preservation of Cuban independence, etc., was considered as giving us the authority to intermeddle with the affairs of the Cuban government. An effort was made to destroy this impression by means of a despatch sent by Secretary Root to General Wood on the 3d of April, in which the authority feared was expressly disclaimed. In spite of this protest, however, the Cuban constitutional convention continued to hesitate, until finally, June 12, 1901, it adopted an ordinance identical with the terms of the Platt amendment.

In discussing this important document, it does not appear that anything was said in Congress which would throw light upon the proper interpretation of clause I, regarding the power of Cuba to make treaties with foreign nations, except the general statement that the Island should not thereby impair its independence. Commercial treaties were nowhere mentioned in the course of the debates. Most of the discussion hinged upon our power of interfering in Cuban affairs for the purpose of preserving the independence of the Island. The effort was made by amendments to the amendment to limit the authority granted in clause III to interfere with the affairs of the Island, either in case of foreign aggression, or in order to assure Cuban independence. No success, however, attended these attempts.[3]

What the debate did do was to indicate very clearly the political authority which it was supposed this country might,

[3] *Ibid.*, pp. 3150-3152.

upon occasion, assume. Senator Hoar described the amendment as:

"Eminently wise and satisfactory. * * * In substance, a proper and necessary stipulation for the application of the Monroe Doctrine to the nearest outlying country * * * and under the circumstances, one which the protection of the United States, as well as the protection of Cuba, fairly and properly requires. * * * I do not suppose that under this clause [clause III] the United States will ever undertake to interfere in such local commotions or disturbances as every country, especially every Spanish-American country south of us, is subject to. I do not suppose that is anybody's intention; but only in those grave cases where international interference is proper." [4]

Naturally, the amendment was vigorously attacked by the Democrats, on the ground that to force such an amendment upon the Cuban Constitutional Convention was practically to violate our pledged faith in regard to the independence of the Island by reserving the right to interfere and overturn the government whenever we might see fit. This view was expressed by Senator Jones of Arkansas in an extreme form: [5]

"The reserving to the United States of the right to maintain a government, the United States to be the judge of what that government is, adequate for the protection of life, and property, would seem to me to be reserving to the United States the right to overturn the government of Cuba whenever it saw fit."

Senator Morgan took the same view, and further rebutted the contention of Mr. Hoar that the amendment was justified by the Monroe doctrine:

"The Monroe doctrine never had anything to do with a proposition like this. * * * It has no connection with that. That [Art. III of the amendment] gives us the right to go into one of these American States * * * [to] * * * exercise the power of the government of the United States for the maintenance of a government adequate for the protection of life, property, and individual liberty." [6]

Senators Pettus and Tillman also forcibly expressed the opinion that the amendment was a distinct violation of the pledge to establish in Cuba an independent government.[7] And

[4] *Ibid.*, pp. 3145-6. [5] *Ibid.*, p. 3146. [6] *Ibid.*, p. 3147. [7] *Ibid.*, p. 3149.

an amendment proposed by Mr. Morgan, stating that the resolutions were submitted for the consideration of the Cuban Constitutional Convention and not as an ultimatum to Cuba, was lost.[8] Nowhere was it stated by the author of the amendment or by its supporters, and nowhere was it complained by opponents, that the obligation to look after the economic welfare of Cuba had been assumed by us.

The claim which was later made concerning our duty to Cuba was not, however, always based upon what had been said in Congress. In general, it has been rested upon an alleged promise made by President McKinley to the effect that if the constitutional convention would adopt the Platt amendment he would use his utmost efforts to secure for Cuba suitable trade concessions from the United States. In any view of this promise it must be conceded that in whatever form it was made by President McKinley it could have been no more than a personal obligation undertaken by him and without warrant from Congress. This obligation, his untimely death, of course, prevented him from fulfilling. President Roosevelt, when he came into office, accepted the pledge thus said to have been made by President McKinley and therewith inherited the obligation of his predecessor. It will not be worth while to consider what were the forces likely to interfere with the fulfillment of this supposed pledge.

We have seen that the great obstacle in the way of reciprocity has always been that of finding commodities whose free introduction would be offensive to no one because they were not manufactured or produced in the United States. In chapter V it was seen that the action of European countries in developing a sugar-bounty system had resulted in such an enormous over-production of sugar as to necessitate the sale of that commodity in neutral markets at very much less than the cost of production. It was there pointed out, moreover, that

[8] *Ibid.*, p. 3150.

this sugar situation existing in Europe made the action taken in the McKinley bill for the admission of sugar without duty a step of great importance, since it held out the most tempting of all possible baits to other countries. We also saw that this action aroused no particular antipathy in the United States because of the fact that sugar was not produced here except in a very limited degree (almost solely from cane), and that a bounty was, under the McKinley Act, offered to producers of raw sugar so that they were thereby placed in as good a position as they would have been under the protective system. In considering the Kasson treaties, it was seen that nearly all of them provided for a reduction of duty on sugar and that this was one of the causes which led to their failure. The issue put in a mild form by these Kasson treaties was, of course, much more squarely presented when Cuban reciprocity became a burning question.

The situation, as regards domestic sugar, had radically changed between 1890 and 1892. We had followed in the footsteps of Europe in building up a beet sugar industry which, under the Dingley Act, was year by year extending its borders. It would perhaps be hard to say precisely when the manufacture of beet sugar in the United States began. A few hundred pounds of sugar had been manufactured from beets at Northampton, Mass., in 1838-1839, and a few scattered and unimportant efforts were made in California, Illinois, and Wisconsin between 1863 and 1879. A factory at Soquel, California, was reported in the census of 1880. It had then been running for several years at a loss, and about 1880 it was abandoned. The status of the beet sugar industry in 1879, according to the tenth census, is given on the following page.

All of these factories, with possibly one exception, turned out to be failures. Little was done during the decade 1880-1890. One of the principal results of the bounty, paid under the McKinley Act, was to stimulate very powerfully the raising of the sugar beet and the production of sugar there-

from. The subject began to be investigated with considerable care shortly after 1890. During the decade 1880-1890 several considerable appropriations were made by Congress to enable the Department of Agriculture to make inquiries relating to beet-culture and both seeds and printed information were sent out to farmers. Moreover, several States granted direct bounties to beet growers, but, in certain instances, subsequent legislatures repealed the bounty acts and, in some cases, later refused the payment of bounty, although earned. By a decision of the Michigan Supreme Court, the bounty act of that State was adjudged unconstitutional.

Statistics of beet-sugar factories in 1879, *by States, census of* 1880.

States and Territories.	Number of establishments.	Capital invested.	Average number of wage-earners.	Wages paid.	Cost of materials used.	Value of products.
The United States...	4	$365,000	350	$62,271	$186,128	$282,572
California	2	215,000	150	39,131	104,724	162,988
Delaware	1	100,000	50	3,140	6,404	8,584
Maine	1	50,000	150	20,000	75,000	111,000

Even without the aid extended through bounty legislation, it was almost certain that the beet sugar industry, protected as it was under the act of 1894, and again to an increased extent under that of 1897, and safeguarded against the effects of foreign bounties by our system of countervailing duties, would grow rapidly. This has actually been the case. In 1897, there were 9 beet sugar factories in operation, turning out 45,246 short tons of sugar, or about 12 per cent. of the total cane and beet sugar produced at home. By 1899, this number had grown to 30, with an output of 79,998 short tons of sugar, or about 35 per cent. of the total sugar produced from cane and beets in the United States. At the present time, it is supposed that 240,000 short tons of sugar per annum is a low estimate of the capacity of our beet sugar

factories. They now have a nominal daily capacity of 22,310 short tons of beets and one of their principal difficulties has been that of getting enough raw material upon which to work. The period of great activity in the development of our beet sugar industry may be said to include the years of 1896-1902. Within this time, at least 35 factories were built, of which two failed, one at Menomonee Falls, Wis., the other at Rome, N. Y. A strong effort has been made to unite a large proportion of the factories under one control, and the Oxnard Brothers and their business associates have been instrumental in establishing several large plants and in affiliating others with them. The condition of the industry in 1899 may be in general gathered from the following table furnished by the census of 1900:

Beet sugar industry.

States and Territories.	Number of establishments.	Capital invested.	Number of salaried officers.	Salaries paid.	Number of superintendents, managers, clerks, and salesmen.	Salaries paid.
The United States..	[1]31	$20,958,519	48	$114,300	302	$242,375
California.....	[1]8	10,139,780	11	39,900	111	77,980
Michigan.....	9	4,013,743	20	33,400	98	68,292
All other.....	14	6,804,996	17	41,000	93	96,103

States and Territories.	Average number of wage-earners.	Wages paid.	Miscellaneous expenses.	Cost of materials used.	Value of products at works.
The United States.....	1,970	$1,092,207	$451,351	$4,803,796	$7,323,857
California.....	909	480,072	169,449	2,243,580	3,499,996
Michigan.....	473	216,704	77,262	1,109,903	1,602,266
All other.....	588	395,431	204,640	1,450,313	2,221,595

[1] Includes one idle establishment.

A very interesting light is thrown upon the politics of the beet sugar situation in Congress by the following digest, showing the location of beet sugar factories in operation Sep-

tember, 1901, just prior to the opening of the Cuban debate, as prepared by the *Beet Sugar Gazette* of Chicago (September, 1901):

Beet-sugar factories of the United States.

Name.	Location.	Daily capacity.
In operation.		
Eastern:		*Tons.*
Binghamton Beet Sugar Co	Binghamton, N. Y	600
Empire State Sugar Co	Lyons, N. Y	600
Michigan:		
Michigan Sugar Co	Bay City, Mich	500
Bay City Sugar Co	Do	600
Detroit Sugar Co	Rochester, Mich	500
Wolverine Sugar Co	Benton Harbor, Mich	350
Peninsular Sugar Refining Co	Caro, Mich	600
West Bay City Sugar Co	West Bay City, Mich	750
Alma Sugar Co	Alma, Mich	600
Holland Sugar Co	Holland, Mich	350
Kalamazoo Sugar Co	Kalamazoo, Mich	500
Marine Sugar Co	Marine City, Mich	350
Western:		
American Beet Sugar Co	Rockyford, Colo	1,000
Colorado Sugar Manufacturing Co	Grand Junction, Colo	350
National Sugar Mnnufacturing Co	Sugar City, Colo	500
Ogden Sugar Co	Ogden, Utah	350
Utah Sugar Co	Lehi City, Utah	350
Utah Sugar Co. (rasping station)	Springfield, Utah	350
Do	Bingham Junction, Utah	350
American Beet Sugar Co	Grand Island, Nebr	350
Do	Norfolk, Nebr	350
Standard Beet Sugar Co	Leavitt, Nebr	500
Middle West:		
Minnesota Sugar Co	St. Louis Park, Minn	350
Illinois Sugar Refining Co	Pekin, Ill	700
Continental Sugar Co	Fremont, Ohio	350

A most important point to be considered in connection with the beet sugar industry, as affected by the tariff, is the question how far that industry is dependent for its existence on the protective system. In this connection we cannot do better than quote at the outset a statement from a high authority on the subject of beet sugar production.

In 1899 a letter was issued by W. Bayard Cutting and Henry T. Oxnard, directors of the American Beet Sugar Company, addressed to prospective investors. That letter ran in part as follows:

"Regarding the future development and permanency of the beet

sugar industry in the United States, there can be absolutely no doubt for the following reasons:

"(1) Of the tropical countries which it is proposed to annex to the United States, Porto Rico is too small to cut any figure, and the Philippine Islands have not the necessary elements for the expansion of the sugar business sufficiently rapid to give any concern to those interested in the production of sugar from beets in this country for the next twenty-five years to come.

"(2) The Island of Cuba is so situated that its sugar industry can rapidly recover the ground lost during the insurrection, provided that the labor question there can be satisfactorily settled. There is, however, no fear that Cuban production even under an annexation to the United States can in our day expand to the point where the United States would become exporters of sugar instead of importers, and hence, that protection would no longer protect.

"(3) Greater than all the above assurances of the permanence of the sugar industry in this country is the fact that sugar can be produced cheaper here than it can be in Europe. The sugar industry is, after all, merely an agricultural one. We can undersell Europe in the production of all other crops, and sugar is no exception. The sugar consumed in the civilized world consists of three million tons of cane sugar grown in the tropics and five million tons of beet sugar grown on the continent of Europe. Therefore, in considering any given sugar enterprise, if it can meet and overcome the competition of sugar on the continent of Europe it is perfectly safe to say that it has a permanent future.

"(4) In addition to all the above the main fact is to find out what the conditions would be under free trade in this country. This was tested practically by admitting the raw sugars of the world free to compete with us in the period from 1891 to 1894. During these three years the duty was entirely removed from raw sugars coming from foreign countries and in place of this duty a bounty of two cents per pound was given to the home producers which was paid out of the national treasury until the McKinley law of 1890 was repealed and in its place the Wilson tariff bill was substituted on the 28th of August, 1894.

"The average prices of granulated sugar during the years 1891, 1892 and 1893 taken from *Willett and Gray's Journal*, which is the recognized authority in the sugar world are as follows:

1891	4.041	cents a lb.
1892	4.346	" " "
1893	4.84	" " "

"The average price of sugar in 1890 before the duty was removed was 6.17 per pound. Taking the lowest year, say 1891, it is found that sugar sold at an average price during that year of four cents a pound. This was under free trade admitting all the raw sugars of the world to our markets duty free. Therefore, if the lowest price (four cents) be taken as an average, it will give a guide to go by in the event that we ever again return to absolute free trade. During 1898 the Chino factory produced 256 pounds of granulated sugar per ton and the Norfolk, 250 pounds per ton. In the new factory at Hueneme a production of about 270 pounds is anticipated. However, let us take the average as 250 pounds which is the product of one ton of beets manufactured into granulated sugar. If we multiply this figure by four it gives us $10 as the net result from a given ton of beets manufactured into granulated sugar at free-trade prices."

It is no more than fair to say that it has since been claimed that this letter was written merely with a design of "stimulating industry;" that the statements made in it are not actually representative of existing facts, but that the farmer and beet sugar manufacturer are really dependent upon the tariff for the maintenance of the industry. Granting that the letter may be disregarded, it remains to inquire how far a high protective duty is necessary to the maintenance of the beet sugar industry in the United States. At this point the inquirer, of course, passes into a technical domain in which it is necessary to depend primarily upon the evidence furnished by "experts," most of whom are interested persons and whose statements must, therefore, be heavily discounted.

In opening the argument on this subject, it is first of all necessary to be perfectly clear in the assumptions on which all statements are based. Much of the confusion and doubt which have arisen in many minds on the sugar question, is due to the rapid shifting of ground by those who debated. At the start, then, it should be remembered that the output of our beet sugar factories is refined sugar; and that a change in tariff whereby raw sugar should be admitted at reduced duties would not affect them save in so far as it could lead to a production of refined sugar at lower prices

by companies which might thus be enabled to get their materials at a lower cost.

The first point to be carefully considered is the actual expenses of production of refined sugar from beets. On this point, a considerable body of evidence was collected by the House Ways and Means Committee during January, 1902. At that time Mr. Oxnard, the principal beet sugar advocate in the United States, appeared before the Committee in regard to this matter in company with several other producers. Mr. Oxnard testified among other things that:

"The cost of producing beet sugar in the existing factories in the United States to-day varies tremendously, and the only way to arrive at any satisfactory conclusion is to take the averages. If this is done, we find that Michigan has produced sugar at about four cents. Taking the average of all the factories with which I have been connected in the past ten years, we will find that the cost is just about four cents, varying all the way from three and a half to nearly six cents in the different factories during different years." [9]

This testimony of Mr. Oxnard was also confirmed by W. L. Churchill, Esq., the President of the Bay City Beet Sugar Company, Michigan. Mr. Churchill testified that the average expense of producing a pound of beet sugar in his works during the sugar year 1900-1901, was 3.96 cents.[10]

Mr. Heyward G. Leavitt, President of the Standard Beet Sugar Company of Leavitt, Neb., also testified that the cost of production of beet sugar in his establishment in 1901 was 4.134 cents per pound and in 1900 was 5.91.[11] Mr. Francis K. Carey, of Baltimore, Md., President of the National Sugar Manufacturing Company, however, stated before the Committee, that:

"Coming down to the question of producing sugar in Colorado, I wish to be understood as saying in the most explicit manner that

[9] Hearings before the Committee on Ways and Means concerning reciprocity with Cuba, 57th Congress, 1st session, 1902, p. 169.
[10] *Ibid.*, p. 469.
[11] *Ibid.*, p. 245.

it is my honest belief that our factory at Sugar City will, within a reasonable time, manufacture sugar at three cents a pound." [12]

Before the Ways and Means Committee, also, Col. James D. Hill, a sugar planter, of New Orleans, La., who was, of course, opposed to reciprocity with Cuba, testified that the cost of producing cane sugar in Louisiana was about 3.5 cents per pound. Furthermore, Dr. H. W. Wiley, the Chief of the Bureau of Chemistry in the Department of Agriculture at Washington, testified before the Committee that:

"It may be safely stated * * * that the minimum cost of the production of beet sugar in the United States up to the present time has not been less than four cents a pound.

"The cost of making beet sugar is slightly greater than that of cane sugar, and this is easily explained when it is considered that the process of manufacture of beet sugar is by far more complicated and more expensive than that required for cane sugar." [13]

With all these different statements before him, the inquirer can take his choice of estimates concerning the cost of the production of beet sugar. Mr. Oxnard was undoubtedly right in saying that cost varies greatly according to the location of the plant, its supplies of raw materials, its outlay for wages, its expenses of shipping the product to market, etc. That there were many beet sugar factories in the country which could show a cost of production as low as from three to three and a half cents per pound may be fully believed. That there were some whose cost of production ran from five to six cents a pound is possible.

It is now practicable to see what was the situation confronting those who might desire to secure a reduction of the tariff on Cuban and South American sugar imported into the United States. It must be borne in mind that the proposed reduction was to be given on raw sugar, that is to say, sugar unrefined and of a low grade of saccharinity as shown by the polariscope test. In the contest there stood on the

[12] *Ibid.*, p. 422.

[13] *Ibid.*, p. 486.

one hand, the sugar refineries of the United States, and on the other, the beet sugar producers, while midway between were the producers of cane sugar located in Louisiana and elsewhere. It was manifestly to the interest of the refiners to have their raw material come in subject to as little expense as possible. In this way they would be able to develop a steady and increasing source of supply. But how would such a situation affect the interest of the beet sugar producers on the one hand, and Louisiana cane growers on the other? It is clear that if the importation of raw sugar did not result in a reduction of the price charged by the refiner to the consumer, the interests of the beet growers would not be affected in the least degree, since they were competitors in the market for the refined product. The position of the cane growers would be somewhat different. Granting that they were obliged to sell their product to the refiners, the way in which their interests would be affected was evidently dependent upon the question whether the reduction on raw sugar imported would result in a lowering of the price paid by the refiners for raw sugar. If it did have that effect, then the cut in the tariff on imported raw sugar would result in diminishing the price paid by refiners, not merely for the imported product, but also for the output of the Louisiana sugar planter. Would the reduction in tariff also reduce the price paid by the refiner? This evidently was the crucial point in the situation so far as regarded the American producers of cane sugar. It was a question whose answer must depend upon the popular demand for refined sugar which, of course, directly determined the demand of the refiner for raw sugar. If this demand was sufficient to absorb the total Louisiana supply and the total supply upon which a tariff reduction had been granted, and also to necessitate reaching out for additional supplies which must come in subject to the full duty, evidently the price realized by the Louisiana cane planter and by the foreign planter (producing, *e.g.*, in Cuba) favored by

a tariff reduction, would be quite as high as if a full tariff existed. That is to say, the most expensive unit of the required supply would determine the cost of the whole, and the interest of no home planter would be placed in jeopardy. This question of the amount of raw sugar which might be offered under the proposed tariff reduction was evidently two-fold. It included an inquiry into the absolute amount of sugar which could be, or was likely to be, offered under the reduced tariff, as well as an inquiry into the extent of the domestic demand for refined sugar, as ultimately determining the demand for raw sugar. Here, also, was the point at which the beet sugar interests found themselves attacked. If the supply of raw sugar on which a tariff reduction was obtained was sufficient to meet the whole demand of the refineries, then evidently the refineries would possess a competitive advantage over the beet sugar factories, and would probably reduce prices, thus rendering it impossible for the beet sugar producer to continue in business. Moreover, if, as was supposed, the beet sugar industry should develop, the more extensive its sales became the less extensive relatively would be those of the refineries, and the more likely would the latter be to cut prices, owing to the fact that their whole supply of raw material would be available at a reduced figure if the duty on raw sugar were lowered. Lastly, it was charged that if the refiners were given their raw material cheaper, they would, regardless of profit, cut prices until they had driven the beet-sugar producer out of business; after that had been done they would arbitrarily raise them again. Of course, the turning point of the whole argument lay in the question whether or not the tariff reduction would actually result in giving raw sugar to the refiner at a lower rate than before; and this, as already suggested, depended upon the extent of the refiner's demand, whether it was greater or less than the total supply of raw sugar not subject to full duty; and this demand in turn, partly depended

upon the price charged the consumer for refined sugar, as determining the extent of consumption of such sugar and hence, indirectly, the demand for the raw product.

Here was evidently a most complicated economic problem, in which many conflicting interests were involved. Judging by the history of the past, it must have been certain to anyone with the least insight that a tariff struggle of no mean importance would follow the effort to reduce the duty on sugar, either for purposes of reciprocity or for those of tariff revision. To follow the problem out in all of its ramifications and to determine just what amount of reduction in duty could be permitted by the beet sugar industry, without producing such a change in the competitive situation as to place that industry in the power of the refining trust, was evidently a most difficult problem. The widespread character of the beet sugar industry and the fact that it was really as much an "infant industry" as any in the United States, was evidently likely to give its adherents considerable political strength in resisting a reduction in the tariff.

The session of 1901-1902 opened rather gloomily. President Roosevelt, as we have seen, had declared for Cuban reciprocity in his message, thus making it evident that a tariff struggle would be forced upon Congress. It was expected that all those who wanted recognition from the administration must obey the orders from the White House. The struggle, moreover, had been foreshadowed, and it was reported that many representatives had come to Washington with orders of the most explicit character from their local managers to act under the instructions of the beet sugar interests. All the material for a most bitter struggle was at hand. January 15, 1902, Chairman Payne, of the House Ways and Means Committee, opened before that body hearings which had been arranged in view of the section in the President's message relating to reciprocity with Cuba. From that date until the end of the month, a desperate struggle raged before the com-

mittee. "Interests" of all descriptions were there represented, and the Cuban planters and American capitalists who had invested money in Cuba were faced by the beet sugar operators of the West and North, and the Louisiana planters of the South. Now and then, a "government expert," or a lobbyist, cleverly coached for the occasion by one side or the other, and posing as an expert of some description, made his appearance.

It would be a work of too much detail to attempt to sift and classify the statements before the Ways and Means Committee. Most of the evidence there presented made its appearance in the course of the subsequent debate on the floor of the House and will be considered in that connection. A general review of the work done in the hearings may, however, be made.

There appeared in the first place a body of men representing domestic Cuban interests and American interests in Cuba. These men pleaded for Cuban reciprocity on three distinct grounds:

(1) The grant of such reciprocity was a debt due from the United States to Cuba, because of the loss of the Spanish market, because of the restrictions imposed upon the foreign relations of the country by the terms of the Platt amendment, and because of the pledge of President McKinley;

(2) This reciprocity would not be injurious to the protected interests of America, because the profits already realized by these interests were large under the tariff, and because the amount of sugar and other articles to be furnished by Cuba would be small, not sufficient to meet the required demand and hence not lowering the price;

(3) The grant of reciprocity was necessary as an act of humanity, to complete the beneficent work of American intervention, lift the Island out of its depressed conditions and enable the new government to go on. Unless such concessions were made, the planters would be ruined, there would

be no employment for labor, and a period of anarchy and misrule would set in.

In reply to these arguments it was answered by a body of men representing the sugar interests of America:

(1) That the claims of Cuban suffering, misrule, etc., and of depressed economic conditions in that Island were false, and that the whole Cuban agitation had been cleverly worked up by the American sugar refining company or sugar trust, with the design of obtaining cheap raw materials and thereby enabling itself to cut the price of sugar and drive out of existence the beet sugar producers.

(2) That the proposed cut in the tariff would almost inevitably result in the destruction of the beet sugar industry by the means just suggested, or if the duty were made small, it would result in cutting off all possibility of further growth in the industry.

(3) That the inroad upon the "protective principle" would almost inevitably form a precedent for further concessions in the future, and that the result would be an incessant demand by Cuban planters for further reductions.

(4) That, in any event, the aid it granted would not go to native Cubans but to the refining trust which had acquired great quantities, both of raw sugar and of sugar lands, and which, being in control of the raw sugar market, would cut the price paid to the independent planter by the amount of the tariff reduction, he being unable to sell his product to any other purchaser.

There appeared also, a body of "experts," "unprejudiced planters" from other parts of the West Indies, and sundry others, some of whom testified on the one side and some on the other, but most of whom confined their argument to the points above outlined.

Contemporaneously with the opening of Congress there had been indicated a widespread and vigorous public demand for reciprocity with Cuba. The outcry was prolonged, and

there was scarcely a newspaper which did not join in it to a greater or less extent. It was charged that this outcry was the result of clever work on the part of the trust. Great quantities of literature were distributed. But in the face of this popular demand there appeared an excessively strong nucleus of private opposition. Throughout the period of the hearings, attempts were made from time to time to ascertain how matters stood in the Committee, but always with discouraging results to the managers. After the hearings had closed, there ensued a long period of waiting, at the end of which Chairman Payne introduced a bill providing for reciprocity with Cuba. This was H. R. 12765 and was at once referred back to the Ways and Means Committee. An era of doubt now set in, for it appeared at all events questionable whether there would be votes sufficient to carry the bill through the Committee and report it to the House. Every means was tried for bringing the refractory members to hear reason. The party lash was vigorously applied, and time after time the objectors were summoned to meet the "man in the White House" for the sake of friendly discussion and warning. All of these methods proved futile, and even the tactics employed by Speaker Henderson in frowning down the bills on other subjects, when presented by Republican opponents of reciprocity on behalf of their constituents, were ineffectual. Several caucuses were held to no avail. By prolonged effort the administration, however, succeeded in getting the bill out of Committee. It was reported to the House in substantially the same shape as when presented and read as follows:

A BILL

To provide for reciprocal trade relations with Cuba.

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That for the purpose of securing reciprocal trade relations with Cuba, the President is hereby authorized, as soon as may be after the establishment of an independent government in Cuba and the enactment by said government of immi-

gration and exclusion laws as fully restrictive of immigration as the laws of the United States, to enter into negotiations with said government with a view to the arrangement of a commercial agreement in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States by rates of duty which shall be less by an amount equivalent to at least twenty per cent. ad valorem upon such products and manufactures than the rates imposed upon the like articles when imported into Cuba from the most favored of other countries, and which shall not be greater than the rates imposed by the United States upon the like articles imported from Cuba; and whenever the government of Cuba shall enact such immigration and exclusion laws, and shall enter into such commercial agreement with the United States, and shall make such concessions in favor of the products and manufactures thereof as aforesaid, and which agreement, in the judgment of the President, shall be reciprocal and equivalent, he shall be authorized to proclaim such facts, both as to the enactment of such immigration and exclusion laws and the making of such agreement; and thereafter until the first day of December, nineteen hundred and three, the imposition of the duties now imposed by law on all articles imported from Cuba, the products thereof, into the United States shall be suspended, and in lieu thereof there shall be levied, collected and paid upon all such articles imported from Cuba eighty per centum of the rate of duty now levied upon like articles imported from foreign countries. The President shall have power, and it shall be his duty, whenever he shall be satisfied that either such immigration or exclusion laws or such agreement mentioned in this Act are not being fully executed by the government of Cuba, to notify such government thereof, and thereafter there shall be levied, collected and paid upon all articles imported from Cuba the full rate of duty provided by law upon articles imported from foreign countries."

The real contest was now to open. In the last hope of uniting the party upon some effective compromise, several caucuses were undertaken. At these it was attempted to reconcile the warring factions. The beet sugar men now came forward with a suggestion which had been unofficially urged for some time past. This was that a reduction of a suitable per cent. should be made from the Dingley rates on the Cuban products, but that this should not be done until after full rates had been charged and paid by the importers. The percentage deducted

from these revenues should be kept in a separate fund and should be regularly transmitted to the Cuban government to be used by it for public purposes, thus enabling it to reduce taxation and so help its subjects. In this way, there would be no chance of gain to the trust and no injury to the domestic sugar grower. When this proposal was rejected, a new one was made. It was stated that since those who favored reciprocity denied that they felt any special interest in the welfare of the trust, they should be willing to remove the differential sugar duty (see page preceding) which had been imposed by the Dingley law for the protection of the refiner. Should this be done, they contended, there would be no suspicion of trust influence in the measure.

This, also, being rejected, there was nothing to do but to go into the debate with the Republican party in the House divided against itself.

In studying the Cuban sugar debate, it is needful to recognize that the questions at issue were of great complexity and that, the debate itself assumed in consequence, a most complex character. Yet, in order to understand it, it is necessary to simplify matters by condensing the arguments and grouping them under the main heads. In the following analysis it will be sought, first, to present the case of the administration Republicans who were trying to force the reciprocity bill through Congress; second, the argument of those Republicans who styled themselves "the domestic sugar growers"; and third, the attitude of the Democrats. After the debate has been reviewed, it will be possible to consider the politics of the situation.

The first and strongest argument insisted upon by the administration Republicans following the lead of President Roosevelt was based upon our plain duty to Cuba. This plain duty was supposed to rest upon two foundations—the fact of the Platt amendment and our declarations with reference to the Island. Probably the clearest statement on this subject

was presented by Chairman Payne in the speech with which he opened the debate on the 8th of April. Said Mr. Payne:[14]

"We undertook, when we engaged in that war [the Spanish War], and we have professed on every occasion since, that our main object was to give a stable, independent and free government to Cuba. * * * To that end has been every line of legislation that we have passed upon the subject; to that end were the Platt amendments which were passed and which have been incorporated as a part of the constitution of Cuba."

After giving full credit to the efforts of the United States for what had been done in the Island, and after a strong plea for such legislation as would guarantee Cuban success in establishing the Republic, Mr. Payne, however, presented the claim that such success had become unexpectedly impossible on account of the disastrous condition of the sugar market. The result, said Mr. Payne, was to compel the Cuban sugar producer to conduct the industry at a loss.[15]

"Just as we are about to launch them forth in self-government, just as they are about to try this experiment, a new calamity comes to Cuba. It is one that is common to the people of the world. We consume in round numbers 10,000,000 tons of sugar in the world, and through bounties in European countries and the stimulation and increase of sugar in those countries and in our own, we find that there are 11,000,000 tons and over produced this year, a surplus of 1,000,000 tons of sugar.

"The consequence is the supply being so greatly in excess of the demand, the price of sugar has been forced down to a point lower than it has been in years; to a point about a cent lower a pound than it has averaged for the past few years. When it comes to Cuba the price is down below the point where they can produce sugar at cost, let alone producing it at a profit. According to the evidence before the Committee it cost two cents a pound to produce sugar in Cuba. * * * On the 1st of January last, the price of sugar in Cuba, free on board at Habana—and, by the way, this cost is free on board at Habana—was 1.5 cents per pound. Hence at that rate there was a loss of a half cent a pound on every pound of sugar produced in Cuba. This was what was staring them in the face, when the appeal

[14] *Congressional Record*, 57th Congress, 1st session, p. 3849.
[15] *Ibid.*, pp. 3849-50.

was made by General Wood in December last for aid for Cuba in th emergency. To be sure, the price of sugar has somewhat advance since that time, and it reached a point as high as $1.81 per hundre free on board in Cuba. That is the highest point it has reached sinc the 1st of January, fluctuating to a little below that point and back t $1.81. That meant a net loss of nineteen one-hundredths of a cen per pound on every pound of sugar of the present crop."

In view of all this, Mr. Payne contended that it was ou duty to grant relief to Cuba. How should this be done There were two ways in which Cuba could be put upon a self-sufficing economic basis. These were annexation an reciprocity. By either, the planter would be given access t the markets of the United States and would thereby be enable to get a good price for his sugar behind the tariff intrench ments. In choosing between these two policies, there coul be no hesitation. It was necessary to select the one whic would give the Island economic independence and self-suffi ciency, at the same time that it granted political independence

"I know," said Mr. Payne, "that some gentlemen are anxious t have Cuba annexed at once. * * * The interest in the Unite States who are opposing this bill want it annexed at once, and fre trade in every item of commerce that comes from Cuba to the Unite States. We have been professing that it was our endeavor and ou solemn duty to give Cuba a chance for a free and independent govern ment; and now, when we are about to establish a government, wit ruin staring Cuba in the face, shall we sit idly by, supinely by, an do nothing to try to help Cuba in its effort for a government?" [16]

Mr. Payne did not stop at this point. He went on t show that not only was it our duty to grant reciprocity t Cuba, irrespective of our material interest, but this could b done without danger to our own domestic producers. T object to this, was selfishness and hypocrisy on the part o the sugar growers. In order to establish his point, Mr. Payn reviewed the history of the Dingley sugar schedule.

"I had something to do, Mr. Chairman, with framing the suga schedule of the Dingley bill, both in committee and in conference. Tha

[16] *Ibid.*, p. 3850.

sugar schedule as presented to the House, did not present exactly the same appearance that it presents now, since it has become a law. It was altered in the Senate and changed in the Committee of Conference. As the bill left the House it provided a duty of 1.63 on 96° sugar, and is it appears to-day it presents a duty of 1.68½. * * * When it left the House there was not a beet sugar man in the United States that objected to the protection that was given in that schedule, and yet what was it? * * * Why, the Republican party started out on the idea of reciprocity in 1890, and section 3 was engrafted into the McKinley bill providing for reciprocal trade relations; and when the Committee and Chairman Dingley were making the sugar schedule of the Dingley bill we had a section 3 that provided that the President might make reciprocal trade relations with other nations, and when he did and proclaimed them a good deal after the manner as stated in this present bill, then that certain duties should be decreased, and one of the duties to be decreased was the duty on sugar, a reduction of eight per cent., bringing the duty of 1.63 down to 1.50 providing reciprocal trade relations were made.

"Now every man in the House understood section 3, and understood the sugar duty. Every beet sugar man in the United States understood section 3, and understood the duty of 1.63. * * * Mr. Oxnard was one of them. Mr. Oxnard was here and he knew what was in the bill, and he did not protest, and no one protested because they knew that the protection was ample, and more than ample, and that we made it high only to get revenue as well as protection out of that item. * * * What does this bill propose to do? The tariff on sugar at ninety-six is 1.68½ and the bill proposes to take off twenty per cent. When we take off twenty per cent. it leaves 1.35, fifteen points less than the Dingley bill under reciprocal trade relations, fifteen one-hundredths of a cent less than that of the Dingley bill." [17]

But Mr. Payne went further than this. He put forward very strongly the idea that the proposed reduction in duty, even though not such as to interfere with the sugar industry, were that industry actually to feel the full force of the reduction, could not in any event be regarded as a danger, since it would not lower the price to the American consumer. That price, said Mr. Payne, was fixed in the world-market, and so long as we still had to import sugar from outside the

[17] *Ibid.*, p. 3851.

United States, in addition to the Cuban supply, the price i this country would not be lowered:

"You may reduce the duty twenty or twenty-five or thirty per cen and it will not make any difference in the price of sugar in the Unite States until you have fostered the industry in Cuba to the point whe the Cuban sugar growers will be able to produce all the sugar w import—2,000,000 tons or more annually—and then, of course, th importation will reduce the price in the United States and not unt then. How are they going to increase the importation next yea under this bill, to 2,000,000 tons? The labor in Cuba is all employed they cannot get labor enough to produce anything like 2,000,000 ton It takes all their labor to produce the present crop—900,000 tons." [18]

Mr. Payne thus carefully guarded his argument concernin price. He put in the qualifying condition that no harm woul be done until the industry had been developed in Cuba to point where our whole supply would come from the Islan That this would never happen, he contended, would be tru owing to the fact that the bill contained the requirement tha our contract labor laws should be enacted by the Insula Government:

"But the suggestion has been made 'if you make this reductio of twenty per cent. the sugar growers in Cuba will bring over Asiat labor, and so increase the production of sugar by a resort to this low rate of wages.' But, gentlemen, we have guarded you on that poin * * * We have incorporated in the bill, as a condition preceden that the Cubans must pass and enforce contract labor, exclusion an immigration laws as exclusive as those of the United States." [19]

The same speaker also anticipated the argument that th benefit of the proposed reduction would go not to the Cuba planter but to the sugar trust:

"We are told that the sugar trust is going to get the advanta of all that we take off of sugar," said Mr. Payne * * * "becau the sugar trust is the only customer for this sugar. * * * There no doubt that the Arbuckles are running independently of the sug trust and are buying raw sugar to meet them in the market. * * The sugar market of the world is in Hamburg. The price of sug

[18] *Ibid.*

[19] *Ibid.*

is fixed in Hamburg for the port of New York. * * * Then the price of sugar coming from the Hawaiian Islands, or from Porto Rico, or from Cuba, or any other place in the world, is fixed according to that standard. Deduct from the price of the duty-paid sugar in New York, the duty and the cost of transportation and you have the price of sugar in Habana harbor.

"Gentlemen, we have had experience in this matter. We need not abandon ourselves to speculation or attempted prophecy. We have had experience along this line. We have had Hawaiian sugar free for years; and though the Committee hunted diligently for the facts, they could not find any proof to show that the Hawaiians had not received the full price for their sugar, duty free, coming into the port of New York, although the sugar trust during a portion of these years, was omnipotent and had no rival refiners of any kind in the United States. * * * We made a reduction of eighty-five per cent. in the tariff on sugar produced in Porto Rico. Some of us were afraid that we would have trouble, that the sugar trust would get the benefit of that reduction or a part of it. We passed the bill, and we have now a record of results. What does the record show? Why, sir, the people in Porto Rico are getting the benefit of that reduction. When their sugar comes into the New York market it sells there at the market price of sugar—the world's market price—deducting only the cost of transportation from Porto Rico to New York." [20]

The bill, it was argued, had been limited in its operation to two years, because at the end of that time the change of policy of European nations with regard to sugar bounties would have begun to make itself effective and our markets would then no longer be necessary to the Cubans. Speaking of the action of the Brussels Sugar Conference, which had just recommended the suppression of all sugar bounties subsequent to September 1, 1903, Mr. Payne argued that:

"In view of the action of this conference we have limited the operation of this bill to the 1st day of December, 1903, giving an opportunity to get all of the next year's crop which is finally ground about the first of May to market under the limitations and provisions of this bill." [21]

Finally, the leader cleverly endeavored to win over the

[20] *Ibid.*

[21] *Ibid.*, p. 3854.

beet sugar interests by pointing out that the temporary concession to Cuba was to be made solely with a view to strengthening the entrenchments of beet sugar against the annexation of Cuba:

"Now, Mr. Chairman, my idea was to give rest and quiet to the beet sugar industry. It is threatened by what? By the results of the Spanish war—by the threatened annexation of Cuba. It threatens free sugar from Cuba, and if any country on earth can compete with American beet sugar, it is Cuba. It is threatening to come upon you at once. I seek to put it off. I seek to put the question to sleep and at rest for a few years, and with this 20 per cent. reduction let the beet sugar industry march forward to its final triumph. * * * Is it not much better to have the 20 per cent. reduction, and have it understood, as it would be, that that is the only reduction to Cuba until Cuba comes in?" [22]

Mr. Payne's plea, thus contrived to enlist the maximum amount of support and arouse the minimum amount of antagonism, was closely followed by most of those who accepted the administration point of view. The subsequent speeches on that side were mainly designed to elucidate and support the Payne argument at various points. Very generally, however, the administration Republicans were subdued and uncomfortable; really feeling, no doubt, that they would prefer to join the beet sugar interests in the combination of all protective opinion. But Representative Dalzell, of Pennsylvania, came vigorously to the support of Mr. Payne. One of his principal points was, of course, based upon the claim that economic conditions in Cuba were growing intolerable and would be rendered worse by our refusal to grant reciprocity.

"How, I ask you," exclaimed Mr. Dalzell, "can Cuba live within her means if she is too poor to buy? She will not have any customs duties, and internal-revenue taxes she will be unable to pay. How shall she avoid intervention on our part to maintain her independence, if her independence, her peace and good order are hazarded by poverty? How shall she preserve and defend our rights in the Island, if she is in such turmoil as to imperil her own? How shall she protect her

[22] *Ibid.*, p. 3855.

cities and our Southern coast by costly sanitation if she has not the means to secure it? * * *

"More than one-half of the inhabitants of Cuba directly and indirectly depend upon sugar for their sustenance; not the rich planters alone, but the humble colonos, the men who cultivate little farms in cane not exceeding on an average twenty-seven acres. Now, owing to the overproduction of sugar in the world's market, by reason of the bounty system of Europe, the price of sugar has fallen below the cost of production, and as a consequence—is it not too apparent for argument—Cuba again for the second time faces bankruptcy."

This was poor prophecy in consideration of the present fact that Cuba has over $1,000,000 surplus in her Treasury.

Mr. Dalzell also faced the same alternative as had Mr. Payne, in considering the relative advantages of reciprocity and annexation:

"No gentleman who has participated in this debate, so far as I have heard, has denied that proposition—we must do something for Cuba. Now what shall it be? In what shape shall the relief come? Is there any advice which has been offered to us, and what is that advice? Yea, verily. From the military Governor of Cuba, from the Secretary of War, from the dead President and the living President, from the influential press of the country, from pulpit and platform, and from private sources all over this country comes a demand for reciprocal trade relations with Cuba." [23]

Speaking of the alleged dangers from the trust, Mr. Dalzell also ridiculed the fear based upon this argument, because, he said, the price of sugar was fixed outside the American market:

"But the next proposition is that this concession will not go to the sugar planters; that it will go to the trust. Oh, my friends, when you have a bad argument, a poor cause, a failing cause, have no fear. Simply shut your eyes and cry 'Trust.' * * * Why, on principle this concession ought to go to the sugar planter of Cuba. * * * Everybody concedes that the price of sugar is fixed at Hamburg. * * * The New York price of sugar, therefore, is the Hamburg price, plus the cost of carriage, plus the duty and plus the countervailing duty. The price of Cuban sugar in Habana is the

[23] *Ibid.*, p. 4400.

New York price less the duty and less the cost of carriage. The price of Porto Rican sugar at San Juan is the New York price, less the cost of carriage, because there is no duty on it. The cost of Hawaiian sugar at Honolulu is the New York price less the cost of carriage, because there is no duty on that.

"Now, why is it, I want to know, that this economic law does not apply in the case of Cuba as it does in the case of all other countries? Why it is, they tell you, because there is only one market and there is only one buyer in that market. I deny it. * * * But even if there were only one buyer instead of many in the market, there is only one price in the New York market. There can be only one prevailing price in a given market at a given time. * * * But in addition to all that, from time immemorial, without a break, Louisiana sugar, Porto Rican sugar, Cuban sugar, Hawaiian sugar have all sold in the New York market at the New York price—all on the same basis, less the cost of carriage, and where there was a duty with the duty added. * * * But, in addition to all that, it is proven that when the duty was taken off Porto Rican sugar the benefit of the remission of duty inured to the Porto Rican. It was proven that when the duty was taken off Hawaiian sugar the benefit inured to the Hawaiians." [24]

Nor had the beet sugar producer any ground for complaint, for,

"If the American beet sugar producer can sell his sugar in the market for the same price after this bill is passed that he sells it before the bill was passed how is he hurt? * * * Oh, they say it will arrest the spread of that industry. Well, if the industry is making money now, and sugar will sell for the same price after the passage of this bill as before, how will it arrest the spread of the industry? * * * Oh, they say—they did say, but I think they have abandoned it—sugar production will increase in Cuba so as to come into competition with the sugar production of the United States. How much, I ask, can sugar production increase in Cuba in the next ten months?" [25]

Other members of the administration forces came to the support of Payne and Dalzell, and in many of the speeches dealing with a different aspect of the case there now and again appeared a bit of economic argument enforcing the con-

[24] *Ibid.*, pp. 4401-2.

[25] *Ibid.*, p. 4403.

tentions of the leader. In this first period of the debate, however, there was little mention either of political or commercial results to flow from Cuban reciprocity. The argument was largely ethical and, in a negative way, economic—designed to show that no injury would be done to the home producer. That this was a weak way in which to go at the subject was strongly felt by many of the Republicans. Congress has never been specially susceptible to purely ethical reasoning, and it was, therefore, sought by some of the strongest speakers on the administration side to reassure the frightened beet sugar protectionists, and to attempt to humor the manufacturers, by reiterating their allegiance to protection and by proclaiming their earnest belief in the great advantages to be gained for our products abroad by securing admission to the Cuban market upon exceptional terms.

Mr. Payne had already endeavored to show that the sacrifice involved in the reduction on Cuban products was one which the beet sugar men could well afford to make, merely for purposes of self-preservation in order to ward off Cuban annexation. But it was necessary—so it was felt by the defenders of the administration policy—to give stronger assurances of protective allegiance, and to reassure those who were trembling for the "principle of protection." The work was to be done in two distinct ways; first, by applying the party lash through hints and threats that those who refused to obey would be driven out of the party, and second, by coaxing them to return to their faith by promises that their well-being should be safeguarded. Representative Grosvenor was detailed to apply the lash. He had already several times "read the riot act" to the beet sugar representatives, and was excellently equipped for his task. Mr. Grosvenor early made a veiled effort to show how much more powerful was the party of the administration than that of its opponents: [26]

[26] Hon. Charles H. Grosvenor, Ohio, House of Representatives, April 10, 1902. *Ibid.*, p. 3948.

"We find ourselves, Mr. Chairman, acting in perfect harmony with the President of the United States and his cabinet, who are acting as a unit in advocating this measure, or some measure of much greater liberality to the people of the Island of Cuba. * * * The defeat of this measure will be accepted as a defeat to the administration and a rebuke to the President. Aye, more than that, as it will be shown, such a defeat would react back to the administration of McKinley, and be accepted everywhere as a repudiation of the diplomacy of our government under the administration of the dead leader. * * *

"We find that the President of the United States, the recognized head of the Republican party, after all the appeals that have been made to him, and all the discussions which we have had, adheres firmly and pertinaciously to the proposition laid down and guaranteed to the people of Cuba by the authorities of the United States many months ago. And we find the caucus of the Republican party, or a majority, at least, of the members of the Republican party of this House, upon a question of pure policy, as I shall show—a matter involving no possible political principle whatever—undertaking to follow the leadership of the President and his cabinet, and yet antagonized, not upon the Democratic side of this House, but upon the Republican side of the House."

Mr. Dalzell adopted somewhat the same point of view, but in a milder tone. He gave some of the political history of the bill and urged strongly the essentially Republican character of the measure—that is to say, he claimed for it the virtue of "regularity" as representing the views of the party. This, of course, was an effort to answer the accusation which had freely been tossed about the Capitol that the President had departed from strict Republican principles, and that the men who were opposing Cuban reciprocity were the true representatives of Republicanism.

"It is no secret," said Mr. Dalzell, "on the contrary it is a matter of public notoriety that when this problem came to the Committee on Ways and Means for solution they found a divergence of views within their own circle. The consequence was that they came here and asked the advice of their fellow Republicans.

"The result of a number of conferences was an instruction to the members of the Ways and Means Committee to bring in this bill. This bill, therefore, is a Republican bill. It is a bill in line with General

Wood's recommendation. It is a bill that conforms to the policy of President McKinley and of President Roosevelt, and of the Secretary of War and of the press of the country." [27]

Mr. Dalzell furthermore undertook to reassure the doubting protectionists by an explanation of the history and purpose of the bill:

"Any intelligent consideration," said Mr. Dalzell, "of the bill before the House involves an accurate knowledge of what it is as distinguished from what it is not. It is not, as has been erroneously argued, an attack upon protection. It does not contemplate any revision of the existing tariff law or of any of its schedules. It will not, as I think I shall be able to show, harm any American industry, or deprive any American workman of a single day's wage. * * *

"What, then, is this bill? It is, in the first place, a plain business proposition for reciprocal trade relations between the United States and Cuba and it is justifiable upon plain business principles. But it is more than that. It is a step toward the redemption of the pledge that we made not to Cuba, not to the Cuban people, but to ourselves when we declared war upon Spain. * * *

"It was in conformity with our original purpose that we insisted that the Platt amendment should become a part of the Cuban constitution, and as a matter of history it can be said beyond all reasonable doubt or question that it was accepted by the Cubans with the plain understanding upon their part that at some future time we would enter into reciprocal trade relations with them. The acceptance of the Platt amendment established new and closer and more intimate relations between Cuba and ourselves." [28]

The demand for the passage of the measure had thus been placed upon three distinct grounds: our duty to Cuba, the fact that the bill represented the will of the administration and of the Republican majority, and the further fact that it would not injure any domestic industry. In response to this powerful argument from a party standpoint, the domestic sugar growers at once advanced to rebut each of these fundamental contentions. They contended, first of all, that we owed no

---

[27] *Ibid.*, p. 4401.

[28] April 18, 1902. *Ibid.*, pp. 4399-4400.

debt to Cuba. Urging this consideration Representative Tawney, of Minnesota, said that:

"A great many gentlemen around me are, together with myself, anxious to know how you interpret or how you conclude, that we have limited the sovereignty of Cuba by the Platt amendment, when they are entirely free under that amendment to enter into reciprocal trade agreements with any country in the world, and when we do nothing more than to prevent them from entering into a treaty to transfer that sovereignty to some other power." [29]

The claim thus advanced, that the Platt amendment had bound us to nothing, was strengthened by the further argument that we had already done all for Cuba that could possibly be expected of us. Mr. Weeks, of Michigan, exclaimed:

"Where, under the broad canopy of the sky, arises our moral and legal obligation to Cuba? * * * These impecunious Cubans, who came with outstretched hand of beggary, nothing else, caught the idea because the President [McKinley] was so gracious and kind that they had obtained his promise. They went back and they exaggerated and misrepresented the matter and told the Cuban people that President McKinley had promised that he would do so and so. * * * He had no authority to make such a promise, and if those Cubans had known anything about the structure of our Government and the powers of the different departments—the executive, the legislative, and the judicial departments of the government—they would have known that President McKinley not only did not, but could not make any such promise to them. Now, upon such a light foundation as that, this whole structure of moral and legal obligation is built up and advocated by dignified, learned and great statesmen on the floor of this House." [30]

But the argument that we had already fulfilled our duty to Cuba and owed nothing to her was carried further in the claim that, even if it should be felt that something was due from us, the means suggested was inadequate to the purpose. By far the most favored argument of the beet sugar advocates was that the proposed reduction would result in benefiting no one but the so-called sugar trust, and would not at all

[29] April 8, 1902. *Ibid.*, p. 3860.

[30] *Ibid.*, p. 3957.

help the Cuban planter. This notion was most elaborately set forth by Mr. Morris, of Minnesota, on the 9th of April:

"It is impossible to escape the conclusion that the sugar trust can, if it will, absorb the whole of a twenty per cent. reduction made to Cuba, and it will, as it has done in the cases I have stated before, absorb a part of it at least. If it should take to itself one-half of it, we will be making an annual present to that combination of more than two and a half millions. When we take this part out, and also that part which might go to absentee Spanish landlords, and to the Spanish usurer, and to those Americans, most of whom are more or less intimately associated with the sugar trust and its officers, and who instead of investing their money at home in America, are now exploiting Cuba for their own selfish purposes and crying out to the American people in the name of God and humanity, what will be left for the Cuban planter and laborer proper?" [31]

So, also, Mr. W. A. Smith, of Michigan, explicitly stated:

"I am opposed to this policy because I believe that the principle beneficiary will be the American Sugar Refining Company, which does not need our sympathy.

"I am opposed to this measure because I believe that the people of the Island of Cuba will receive no benefit therefrom." [32]

Furthermore, it was urged that even granting that Cuba would be aided by the proposed reduction and that it was our duty to extend such aid on this occasion, it was not right to do it in the way proposed. Should this be done the result would be merely to put Cuba into an attitude of mendicancy, with the result that whenever economic needs should arise in the Island the inhabitants would seek to satisfy them by an appeal to the United States.

Realizing the weakness of their position, should it continue to lack the appearance of generosity which would be lent it by the offer of some substitute plan for Cuban relief, certain of the beet sugar representatives hastened to come forward in support of the so-called "rebate plan" already explained.

[31] *Ibid.*, p. 3908.

[32] *Ibid.*, p. 3898.

Mr. W. A. Smith, of Michigan, pleaded strongly for this proposal:

"We bring you a rebate plan which has in it no threat to American industries. We bring to you a proposition which, if carried to its conclusion, will give a wider and better and far more reaching relief to the Cuban people than the proposition of the Committee on Ways and Means." [34]

Mr. Morris also set forth with great vehemence the advantages of the rebate plan.

"Under all these circumstances, is it not evident that this measure is un-Republican, unwise, and unpatriotic? And is not this conclusion strengthened when we consider that there is another method by which all that is sought to be accomplished by this measure can be accomplished and accomplished much more completely and effectively, and without the danger of evil consequences to which I have referred?

"That method was proposed in the Republican conference. In the fewest possible words it is this: That we shall not reduce duties at all; that we shall continue to collect the full rate, and shall then, for such length of time as may be necessary, pay over to the Cuban government such portion of the amount collected as may be necessary to accomplish the ends sought; and that in consideration thereof we shall receive from Cuba such reciprocal concessions as she may be able to grant."

Other speakers followed the same line of argument.

The effort was likewise strongly made to show that the proposed reduction would mean serious injury to the beet sugar industry.

It was, of course, difficult from the showing made in the hearings before the Ways and Means Committee to substantiate the proposition that a twenty per cent. reduction would mean actual and immediate injury to beet sugar. It was necessary, therefore, to maintain the certainty that this injury would follow, by pointing out, first, that the production of sugar in the Island of Cuba would enormously increase under the spur of the twenty per cent. reduction, and second, that an infringement once having been made upon the "protective

[34] *Ibid.*, p. 3899.

principle" it might be expected that other inroads would speedily follow. If it could be shown that the production of Cuba was certain, or even likely to grow to an extent which would result in supplying us with the raw sugar we needed to import, the argument that the price of sugar would not be touched by Cuban reciprocity, because fixed in the world market, would effectually be disposed of. On this branch of the debate, therefore, considerable attention was concentrated. Mr. Mondell, of Wyoming, sounded a pitiful "note of warning" on the 9th of April:

"Remember that Cuba has never produced sugar under the most improved methods; that Hawaii produces more sugar to the acre, and produces it more cheaply, except where she irrigates, than Cuba has ever done; * * * when they shall come to the Hawaiian system of planting every other crop they will produce sugar even more cheaply than they do now, and when that time comes, does anyone imagine that the beet sugar industry of America shall survive unless protected by a bounty?" [35]

This suggestion was followed and developed by other Representatives, and extravagant claims were made concerning the productive power of the Island and its probable ability to invade the American market and ultimately crush out the beet sugar industry.

But it was in connection with the "protective principle" that the fiercest battle raged. It was argued that the Dingley bill had constituted a pledge to the American sugar grower which it was not right to break by granting a reduction on Cuban sugar. Thus a debate arose over the question whether sugar was or was not a suitable subject for reciprocity. The extreme argument for the maintenance of the "Dingley pledge" was put by Mr. H. C. Smith, of Michigan, on the 16th of April:

"I know that $10,000,000 has been invested in the sugar beet business in Michigan, farms have been made more valuable, mortgages paid off, towns, villages and cities have prospered. And I believe

[35] *Ibid.*, p. 3914.

that this money was invested in the faith of the pledges and principles of the Republican party. And I believe that we are in honor bound to stand by those pledges, hurt Havemeyer, help Cuba, or come what may." [36]

This argument had, however, been met and anticipated by no less a person than Mr. Grosvenor, who, in a remarkable portion of his speech, had confessed the whole history of the relation between sugar and reciprocity. Mr. Grosvenor first recurred to the history of sugar under the McKinley bill:

"I remember the discussion growing out of that bill [McKinley]," said Mr. Grosvenor. * * * "A great question arose, and strangely enough, it was, among other things, the sugar tariff which caused the great interest therein. It was the purpose of the Republicans in that body to place sugar on the free list. * * * The great question as to the sugar schedule of that day grew out of the difference of opinion between Mr. Blaine, who had been for a long time an advocate of reciprocity, and William McKinley who also, at that early day, was a disciple of Blaine reciprocity, but not committed to all the details of Blaine's position. It so happened that I myself heard in the State Department, an almost acrimonious discussion between Mr. McKinley and Mr. Blaine upon this question, one side favoring a tariff on sugar, hides, etc., all put into the schedule, and then left competent for the President of the United States in case of reciprocity, to take the tax off sugar. This was a question of law and administration. * * * Sugar was then an 'infant industry' and yet these two great champions of protection favored reciprocity in this article." [37]

On this background the speaker had proceeded to sketch the history of the Dingley Act, and it was in this connection that he made his most startling confession, admitting that the duty on sugar was made purposely high in that act for the very purpose of reciprocity:

"I esteem it an honor to have been a member of the committee over which he presided [Mr. Dingley], and to have been in the councils of the party when that bill was produced and carried to triumphant results; and I do not know a member here who was cognizant of what was going on but that knows that the enormously high rate of duty

[36] *Ibid.*, p. 4279.

[37] *Ibid.*, p. 3949.

placed on sugar, * * * *was put there for the purpose of reciprocity,* and probably with the Island of Cuba." [38]

Mr. Grosvenor was doubtless right in his contention, as a result of these reminiscences, that:

"I have shown conclusively and I challenge contradiction, that sugar has been in Republican estimation, and in Republican enactment, and in Republican discussion, understood to be a fit subject of reciprocity."

But he added:

"* * * I am not one of those who join in the shout in favor of the doctrine that the American people are under some kind of legal or moral obligation to do something that would be unwise, or unpatriotic, and injurious to any of our interests for the benefit of the people of the Island of Cuba. Had I had my way about it from the very beginning I would have prayed that this cup might pass from us. * * * When I understood that the administration ultimatum was twenty-five per cent. I said I would not do that if I could do better." [39]

The capstone of Mr. Grosvenor's argument came as a result of these contentions and was seen in the frank declaration at the end of his speech that:

"I venture to say that there is not one man with money, who, in good faith, ever intended to invest his money in a beet sugar factory who has been staggered one jot or tittle by the probabilities of the passage or non-passage of this bill. * * * I do not believe that this is a break in the doctrine of protection." [40]

Such argument was, of course, unsatisfactory to the beet sugar interest. In order to meet Mr. Grosvenor's contentions, many denied the claim that the Dingley duties had been exaggerated and that sugar had within recent years been regarded as a fit subject for reciprocity negotiations. They continued to denounce the pending bill as un-Republican and unpatriotic, on the ground that it was likely to make a breach in the "time-honored Republican practice" of always maintaining duties at the highest practicable point.

It has already been seen how the threat had been made that unless some concessions were offered to Cuba, annexation was

[38] *Ibid.*, p. 3949. [39] *Ibid.*, p. 4316. [40] *Ibid.*, p. 3954.

likely to take place, and that a temporary grant of reciprocity was therefore the cheapest means of warding off the danger which would come from annexation. It was in this connection that one of the most curious incidents in the debate occurred. It would at first sight seem difficult for the beet sugar men to meet the annexation argument. To a non-partisan observer the danger of annexation seemed perfectly apparent, and it was equally clear that suitable reciprocity concessions might stave it off. That was what had happened in the case of Hawaii. But the beet sugar men refused to see the situation in this light. They pretended to fear that should reciprocity be granted, the Island, despite our contract labor legislation, whose adoption was enforced by the Payne bill, would be speedily filled up with Asiatic laborers. If our whole system of legislation and taxation should be extended to the Island, however, under American supervision or by annexation, they had no fear whatever of the outcome. This view was frankly expressed by Mr. W. A. Smith, of Michigan:

"In answer to that [the annexation] argument I desire to say that the question of the annexation of Cuba has no terror for the American sugar manufacturer. You throw around that Island the strong arm of our government, make it a part of our territory, guarantee to it the same stability that is guaranteed to every State in the Union, and the Island of Cuba will soon be populated by 10,000,000 people. Industry will be diversified and resources developed, instead of being merely the producers of sugar the Island will be a hive of multiplied industry; the land that now produces sugar cane at a small profit will at that time produce garden stuffs, cereals, and fruit to supply the tremendous demand of her increased population. * * * So, my friends, we are not terrorized by annexation. But we want responsibility to precede bounty." [41]

The real basis for this claim seems to have been the belief that annexation was not threatened within any immediate future, and that the danger could be met to better advantage when it should actually present itself. As we shall see at a

[41] *Ibid.*, p. 3903.

later point, however, there were certain interests which nominally were working in behalf of the sugar growers, but which actually desired, by defeating reciprocity, to make economic conditions in Cuba so bad that the Island would be forcibly driven into the United States even against its will. The curious feature of the annexation discussion lay in the fact that one of the annexationists, Mr. Newlands (of Nevada), did not hesitate to come boldly out for his favorite cause.

On the 8th of April, he declared that:

"I am opposed to any concessions to Cuba unless they are accompanied by a cordial invitation to Cuba to become a part of the United States; first, as a territory under the Constitution and laws of the country, including the tariff laws, and later as a sovereign State of the Union. I am against the pending measure, first, because * * * it inaugurates a policy of reciprocity, that reciprocity which has been termed the handmaiden of protection. I am opposed to this bill because it does not reduce the price of sugar to the domestic consumer. I am opposed to it because it is an extension of the imperialistic legislation inaugurated by the Republican party, for it seeks to add to the restraints already imposed by the Platt amendments upon the autonomy of Cuba or the independence of Cuba. Our own laws relating to immigration and contract labor which, while good in themselves, are entirely unjustified when applied by pressure by this country to a so-called independent power." [42]

The attitude of the Democrats in the Cuban reciprocity debate is, however, as instructive as any other of its features. We have seen that there had always been considerable division of opinion among the Democrats themselves as to the attitude they should adopt with regard to reciprocity. Many of them had always thought that reciprocity was a dangerous attempt to steal Democratic doctrine and that it was an encroachment upon the free trade principle. Others had always taken a view that it was our duty to accept any reductions in tariffs that it might be possible to force through, while still others had shown an attitude of comparative indifference to the idea.

[42] *Ibid.*, p. 3856.

All of these divergent points of view made their appearance in the course of the Cuban debate. Mr. McClellan of New York very early came forward in advocacy of the notion that the bill with its reciprocity proposition was essentially Democratic in its nature and was therefore deserving of support from a strict economic standpoint. He exclaimed, on the 8th of April:

"The bill is an enunciation of the Democratic doctrine of reciprocity; it is a breach in the wall of protection, and lowers in part, at least, the preposterous Dingley rates. * * * I shall * * * vote for the bill; I cannot see how I can do otherwise as a Democrat and as an American. I cannot see how the Democratic party can take any other position." [43]

Many Democrats could not agree with Mr. McClellan. Mr. McClellan's point of view was, however, taken by Mr. Brantley, who said:

"Notwithstanding the urgency of these appeals, and notwithstanding that Cuba's condition was daily growing worse by the piling up of her interest accounts and the stagnation of trade, this bill granting some relief was not brought before the House for consideration until the eighth day of April, more than four months after the House convened. Can any Democrat explain such delay upon the part of the Republicans in reporting a purely Republican measure if this measure answers to that description? If this bill is in strict accord with Republican doctrines, and if it marks no departure from Republican principles of protection, why did the Republican members of the Ways and Means Committee lack the courage to report it, without first submitting it to the Republican caucus? If it breathes nothing but the doctrine of Republican protection, why was it that the Republican members of the House spent night after night in sweat and turmoil in their caucuses in the efforts to find enough votes upon the Republican side of the House to pass it?" [44]

An opposite opinion was held by certain others who argued that the Republicans were in a difficult situation and that it would be best to leave them to work out of it as they could without any Democratic assistance. To these men, there was

[43] *Ibid.*, p. 3866.

[44] *Ibid.*, p. 4123.

no special object to be gained by the Democrats in seeking to modify a single schedule of the Dingley Act, especially when such modification was, as they said, desired only for political purposes. Something of this thought was expressed by Mr. Norton on the 18th of April:

"Hampered and liable to be thwarted by a number of Republican members, fearing defeat, the Chairman of the Committee calls upon Democrats to come to his relief and assist him to pass the bill. Knowing the opposition of the Democratic party to any tariff but for revenue only, he appeals to us for aid in breaking the Dingley high tariff bill in one section alone. The administration and Committee on Ways and Means having put the Republican party in a hole, Democratic assistance is wanted to help them out. * * * If you give Cuba a reduction of twenty per cent. on sugar, give the people of the United States a reduction of twenty per cent. on wire fencing, on lumber, on steel, on hides and wood pulp, and all the articles now controlled by trusts, and I will join you with my vote." [45]

Louisiana Democrats, of course, opposed the bill tooth and nail. Representative Meyer of Louisiana made a cynical speech in which he seemed to share the views both of Democrats and Republicans who were opposed to the bill:

"There is big money to be made by this bill, of course, by somebody. The American consumer is not to get any benefit, the cane grower none, the sugar-beet grower none. The sole question remaining is as to the relative shares of profit to the Cuban planter and speculator and the New York trust." [46]

Perhaps the best statement of the Democratic situation was, however, found in a speech offered by Representative Stevens, a Minnesota Republican interested in support of the beet sugar industry and opposed to the Payne measure. Mr. Stevens said:

"It is not supported sincerely by a majority on either the Republican or Democratic side of this House. It comes before the House reported from the Committee on Ways and Means, the majority of which strongly oppose any other measure of tariff modification.

"This bill is also supported by a free-trade Democratic element

[45] *Ibid.*, p. 4381.

[46] *Ibid.*, p. 4201.

which will vote for any modification of any tariff schedule, on the theory that it is one step toward their paradise of free trade. The bill is opposed by two elements of the Republicans; by one, which on principle opposes any changes whatever in our present tariff schedules; by another element which desires modification in our tariff schedules affecting such items as iron and steel, glassware, wood pulp, etc., and resists the passage of this bill, that such modifications may be the earlier made.

"This bill is also opposed by some Democrats who favor a limited protection and by others who believe in free trade with no intermediate steps." [47]

A moderate point of view was taken by Mr. Patterson of Tennessee:

"Mr. Chairman, the only objection I have to the pending measure is that the proposed reduction on Cuban sugar is entirely inadequate, but, if it is all that can be obtained, it is still in keeping with the Democratic policy of tariff revision, no matter from what source this particular bill may come, or who may approve or oppose it." [48]

Populists and others joined in the debate on either side indifferently, according to the tendencies of their constituents.

In all this mist of talk and abuse, there was one distinct thread which requires to be closely followed. This was the political strategy of the situation. Very early in the debate it became manifest that should the beet sugar Republicans throw their votes to the Democrats, or should the latter join the beet sugar Republicans, they would form a majority. The crux of the whole problem to this combination, therefore, was how to put the bill into such condition that it would enlist both Democratic and beet sugar Republican support, and at the same time be so obnoxious to the majority of Republicans that, though it might be passed in an emasculated form, they would feel no disposition to carry it farther. The way to work this transformation had been very early pointed out. Almost from the opening of the Cuban sugar debate, the leading feature in the minds of almost all those who participated was the alleged

[47] *Ibid.*, p. 4124.

[48] *Ibid.*, p. 4259.

relation of the sugar trust to the reciprocity movement. In the full faith that the trust stood behind the Cuban demand, the beet sugar representatives had determined to attempt to amend the bill by removing the differential protection on refined sugar enjoyed by the trust. They believed that should the bill pass in this condition, the administration would not dare to push it farther and that it would die a natural death in the Senate or be slaughtered by the Finance Committee. It was not very long, therefore, before the threatening danger to the majority-Republicans made its appearance in the shape of an amendment to be added near the close of the Payne bill which read as follows:

"And upon the making of said agreement and the issuance of said proclamation, and while said agreement shall remain in force, there shall be levied, collected and paid, in lieu of the duties thereon now provided by law, on all sugars above number sixteen Dutch standard in color and on all sugar which has gone through a process of refining, imported into the United States, one cent and eight hundred and twenty-five one-thousandths of one cent per pound."

The bill closed as before:

"The President shall have power, and it shall be his duty, whenever he shall be satisfied that either such immigration, exclusion, or contract-labor laws or such agreement mentioned in this act are not being fully executed by the government of Cuba, to notify such government thereof, and thereafter there shall be levied, collected and paid upon all articles imported from Cuba the full rate of duty provided by law upon articles imported from foreign countries."

In the course of the discussion pointed taunts based upon this amendment were frequently flung in the faces of the Payne-Grosvenor group. Thus Representative Morris inquired:

"If we are going to give this advantage [the reduction of duty specified in the Cuban bill], to the refiners, the sugar trust, then why should we not also reduce the duty on refined sugar? * * * Why should we not reduce or entirely abolish their differential? * * * It is this differential behind which they operate free from foreign interference or competition. * * * It is this differential which enables them to control the American market and put prices up or

down between wide limits. It is this differential which enables them to carry on their war of extermination against all rivals. * * * It would, as we all know, diminish the cost of refined sugar to the American consumer, or at least prevent its being made exorbitantly high. * * * Surely, gentlemen, while we are so much concerned about the people of Cuba we might at least have some regard for our own people." [49]

When the amendment came up, the debate burst forth with full fury. The question naturally arose whether such an amendment was in order—that is, germane to the pending bill. The Speaker having ruled that it was not, it became necessary to overrule him or drop the amendment. To drop the amendment would have meant the triumph of the Cuban reciprocity bill in its original form. Hence, beet sugar Republicans were obliged to decide whether or not they were willing to break away from the control which had grown up in the House of Representatives under the rules of order laid down by Speaker Reed. They finally concluded to vote to overrule the Speaker. In this connection a warm controversy naturally occurred over the question whether the bill could be properly amended in such a fashion. To the pleas of the administration Republicans, who besought their followers not to break the tradition of authority, the beet sugar men replied by rudely throwing off the domination that had so long restrained them. Mr. Littlefield, of Maine, boldly answered the critics of the amendment that:

"Any legislation that tends to disturb the tariff equilibrium in connection with the sugar schedule, by disturbing the differential or otherwise, destroys the equilibrium and makes the consideration of the other branch of the proposition absolutely necessary in order to preserve and maintain the equilibrium. Unrefined sugar has one tariff, refined sugar another, to-day. If you shorten or diminish the unrefined sugar tariff upon the one hand, you shorten one of the legs upon which the proposition stands.

"If this bill in any of its phases disturbs or makes it possible to disturb either branch of this proposition * * * this amendment

[49] *Ibid.*, p. 3910.

[taking off differential] is competent and germane—because otherwise you would have legislation that would result in an absence of the equilibrium that we are bound to maintain between these two tariffs. It would be a violation of economic principles." [50]

The question had for some time been in doubt what would be the action of the Democrats. They had hesitated between (1) voting solidly against the bill with the beet sugar Republicans on the one hand, or (2) voting for the amendment on the other, permitting those who desired to join with the majority in passing the bill as amended. Largely owing to the efforts of Representative De Armond, of Missouri, the current of feeling at length turned in the direction of the latter policy. The word was passed about that Democrats should vote for the amendment and should then vote for or against the bill as they saw fit. With this support the measure finally came to a vote, was amended as had been proposed, and passed the House by 246 ayes to 54 nays; not voting, 48.

The second stage of the reciprocity struggle opened when the bill was sent to the Senate. It was, of course, at once referred to the Senate Finance Committee. Then ensued a period of legislative juggling behind the scenes. While little or nothing was said on the floor, active political manœuvres were in progress. Two things were necessary: first, a majority in the Finance Committee sufficient to report the bill in some shape, and second, a majority on the floor sufficient to pass it when reported. Needless to say, it was no part of the leaders' intention to have the bill reported until a majority on the floor was assured. From the start it became apparent that a very difficult political problem was involved in the conduct of the negotiations. The Republican majority in the Senate was none too large and the defection of the beet sugar Senators who could positively be relied upon to oppose the bill turned the majority into a minority. Even by the closest counting the

[50] *Ibid.*, pp. 4407-8.

Republicans lacked at least two or three votes of the number they needed. It was evidently necessary to temporize with the beet sugar element. Of course, the extreme demand made by this element could not be granted. This was the removal of the differential protection on refined sugar as a prerequisite to the passage of the bill. It seemed likely that a compromise could be arranged on the original basis proposed in the House —the rebate plan. Senator Burrows, of Michigan, brought in an elaborate bill, providing for a rebate scheme, but nowhere among the majority leaders did this plan find favor. It was bitterly opposed by the administration. This unwillingness to accept the rebate plan or to remove the differential protection from refined sugar was at once attributed by the domestic sugar growers to a desire to help the trust, and thus the old controversy which had so long been raging in the House was reopened in the Senate.

The administration recognized the difficulty of the situation and concentrated its heaviest batteries on the opposition Senators without avail. They stood firm upon their original proposition, and it seemed certain that nothing save the united expression of public opinion could force the Cuban reciprocity measure through the Senate without the obnoxious amendment removing the differential protection. Public opinion had become, however, somewhat disorganized. The reciprocity boom had begun too soon. Instead of waiting for the psychological moment in the Senate, the press friendly to Cuba had aroused popular emotion far too early, and the tide of enthusiasm was already fast ebbing. The outcry about the stake of the sugar trust in the controversy had been very generally disseminated and nothing was wanting except some distinct confirmation of the claims put forward by the beet sugar men in this respect. Should such confirmation be afforded the reciprocity bill would be doomed for the rest of the session. This confirmation was suddenly received from an unexpected quarter.

We have seen that Governor Wood had been sent to Cuba at an early day to take charge of the affairs of the Island. He had soon become an ardent advocate of Cuban reciprocity. Some attributed this warmth of his support to pecuniary interest in the Island. According to President Roosevelt, however, he was actuated only by a disinterested regard for the economic interests of Cuba. On various occasions General Wood had expressed himself, in official communications, strongly in favor of reciprocity. This had aroused the antagonism of the beet sugar interests. The fact that the independence of Cuba from the United States was to be formally declared on the 1st of May, at the height of the beet sugar controversy, seemed likely to give a certain prestige to the advocates of reciprocity, and also to the recommendations of General Wood. Such an event had been foreseen by the beet sugar party. It felt the want of absolute data upon which to rest the claims concerning trust influence so often made by its members upon circumstantial evidence only. With the design of affording some distinct basis for the claims so freely made, Senator Teller, shortly after the Cuban bill had come to the upper House, had requested an investigation into the ownership of Cuban sugar lands and the general evidence regarding the ownership and sale of sugar in the Island. This investigation had been in progress before the Committee on Relations with Cuba, or rather before a subcommittee of that body with Senator O. H. Platt, of Connecticut, as Chairman. A great mass of evidence had already been taken when the beet sugar Senators suddenly produced an unexpected piece of information. Through a secret agent who had been sent to Cuba they had succeeded in obtaining, by the aid of clerks in the employ of the government of the Island, a copy of certain checks issued by Governor Wood in favor of a man well known in Washington as a lobbyist and witness before committees. It had long been suspected that this man was also acting in the interest of the American Sugar Refining

Company. He was subpœnæd as a witness before the committee and, having unwillingly appeared, finally acknowledged the receipt of money both from Governor Wood and from Mr. Havemeyer of the American Sugar Refining Company, to be used, as he said, in the distribution of literature designed to influence public opinion in the United States favorably to Cuban reciprocity. The chain of evidence was complete, and whatever may have been the real nature of the transactions involved, the appearance of evil was at least present. This was enough for the bitter partisan and for the unthinking men in the street. The connection long suspected, but never before established between Federal authorities and the hated trust, seemed to have been proven. At once a storm of vituperation burst forth, which became more violent when the War Department acknowledged its familiarity with the transactions of General Wood and its approbation of them. With this announcement the cause of Cuban reciprocity was hopelessly defeated for the rest of the session.

President Roosevelt recognized that the moment was critical and that defeat was impending. Yet he endeavored to turn the defeat into a victory by throwing the whole weight of his administration in favor of the Cuban bill. For several months he had now and then unofficially threatened a special message unless Congress could be brought to hear reason.

A message was finally sent to the Senate, was received by that body, and read in full session on the 13th of June, 1902. It ran as follows:

To the Senate and House of Representatives:

I deem it important before the adjournment of the present session of Congress to call attention to the following expressions in the message which, in the discharge of the duty imposed upon me by the Constitution, I sent to Congress on the first Tuesday of December last:

"Elsewhere I have discussed the question of reciprocity. In the case of Cuba, however, there are weighty reasons of morality and of national interest why the policy should be held to have a peculiar application, and I most earnestly ask your attention to the wisdom,

indeed to the vital need, of providing for a substantial reduction in the tariff duties on Cuban imports into the United States. Cuba has in her constitution affirmed what we desired, that she should stand in international matters in closer and more friendly relations with us than with any other power, and we are bound by every consideration of honor and expediency to pass commercial measures in the interest of her material well-being."

This recommendation was merely giving practical effect to President McKinley's words, when, in his messages of December 5, 1898, and December 5, 1899, he wrote:

"It is important that our relations with the people [of Cuba] shall be of the most friendly character and our commercial relations close and reciprocal. * * * We have accepted a trust, the fulfillment of which calls for the sternest integrity of purpose and the exercise of the highest wisdom. The new Cuba, yet to arise from the ashes of the past, must needs be bound to us by ties of singular intimacy and strength if its enduring welfare is to be assured. * * * The greatest blessing which can come to Cuba is the restoration of her agricultural and industrial prosperity."

Yesterday, June 12, I received, by cable from the American minister in Cuba, a most earnest appeal from President Palma for "legislative relief before it is too late and [his] country financially ruined."

The granting of reciprocity with Cuba is a proposition which stands entirely alone. The reasons for it far outweigh those for granting reciprocity with any other nation, and are entirely consistent with preserving intact the protective system under which this country has thriven so marvelously. The present tariff law was designed to promote the adoption of such a reciprocity treaty, and expressly provided for a reduction not to exceed twenty per cent. upon goods coming from a particular country, leaving the tariff rates on the same articles unchanged as regards all other countries. Objection has been made to the granting of the reduction on the ground that the substantial benefit would not go to the agricultural producer of sugar, but would inure to the American sugar refiners. In my judgment provision can and should be made which will guarantee us against this possibility; without having recourse to a measure of doubtful policy, such as a bounty in the form of a rebate.

The question as to which, if any, of the different schedules of the tariff ought most properly to be revised does not enter into this matter in any way or shape. We are concerned with getting a friendly reciprocal arrangement with Cuba. This arrangement applies to all the articles that Cuba grows or produces. It is not in our power to

determine what these articles shall be; and any discussion of the tariff as it affects special schedules, or countries other than Cuba, is wholly aside from the subject-matter to which I call your attention.

Some of our citizens oppose the lowering of the tariff on Cuban products, just as three years ago they opposed the admission of the Hawaiian Islands, lest free trade with them might ruin certain of our interests here. In the actual event their fears proved baseless as regards Hawaii, and their apprehensions as to the damage to any industry of our own because of the proposed measure of reciprocity with Cuba seem to me equally baseless. In my judgment no American industry will be hurt, and many American industries will be benefited by the proposed action. It is to our advantage as a nation that the growing Cuban market should be controlled by American producers.

The events following the war with Spain and the prospective building of the Isthmian canal render it certain that we must take in the future a far greater interest than hitherto in what happens throughout the West Indies, Central America and the adjacent coasts and waters. We expect Cuba to treat us on an exceptional footing politically, and we should put her in the same exceptional position economically. The proposed action is in line with the course we have pursued as regards all the islands with which we have been brought into relations of varying intimacy by the Spanish war. Porto Rico and Hawaii have been included within our tariff lines, to their great benefit as well as ours, and without any of the feared detriment to our own industries. The Philippines, which stand in a different relation, have been given substantial tariff concessions.

Cuba is an independent Republic, but a Republic which has assumed certain special obligations as regards her international position in compliance with our request. I ask for her certain special economic concessions in return, these economic concessions to benefit us as well as her. There are few brighter pages in American history than the page which tells of our dealings with Cuba during the past four years. On her behalf we waged a war, of which the mainspring was generous indignation against oppression, and we have kept faith absolutely. It is earnestly to be hoped that we will complete in the same spirit the record so well begun, and show in our dealings with Cuba that steady continuity of policy which it is essential for our nation to establish in foreign affairs if we desire to play well our part as a world power.

We are a wealthy and powerful nation; Cuba is a young Republic, still weak, who owes to us her birth, whose whole future, whose very life, must depend on our attitude toward her. I ask that we help her as she struggles upward along the painful and difficult road of

self-governing independence. I ask this aid for her because she is weak, because she needs it, because we have already aided her. I ask that open-handed help, of a kind which a self-respecting people can accept, be given to Cuba, for the very reason that we have given her such help in the past. Our soldiers fought to give her freedom; and for three years our representatives, civil and military, have toiled unceasingly, facing disease of a peculiarly sinister and fatal type with patient and uncomplaining fortitude, to teach her how to use aright her new freedom. Never in history has any alien country been thus administered with such high integrity of purpose, such wise judgment, and such single-minded devotion to the country's interests. Now, I ask that the Cubans be given all possible chance to use to the best advantage the freedom of which Americans have such right to be proud and for which so many American lives have been sacrificed.

THEODORE ROOSEVELT.

WHITE HOUSE, *June* 13, 1902.

If Mr. Roosevelt expected any results from this *brutum fulmen,* he must have been signally disappointed. The message could not possibly have had less influence, it would seem, than it exerted. In the corridors and lobbies of the Capitol hardly a comment, save those inspired by contempt, was heard. Even the President's own supporters regarded the message as an unwise act, wholly lacking in self-control. The message, in fact, merely opened wider the breach already existing in Republican ranks. The reciprocity bill was dead for the session. Perhaps it was as well that this should have been the outcome. Had the Republicans succeeded in forcing it through the Senate without the amendment removing the differential protection, it would have gone back to the House, where the old problem would have presented itself. The Democrats who were in control of the situation were now working well under leadership of a skilful kind and would have thwarted the passage of the measure by throwing their votes to the beet sugar Republicans. On the other hand, had the bill passed with the amendment incorporated—a most improbable supposition—the refiners would have strained every nerve when the message came back to the House and would

most likely have succeeded in defeating it. It goes without saying that the beet sugar men themselves did not care to see the measure passed in any such form, since it would have been a direct blow at themselves as well as at the trust. Possibly they would have voted with the majority of the Republicans and would have defeated the bill in the House, at the last moment. Had the House disagreed to the amendment, and had the bill gone to conference, nothing probably could have been done in the way of compromise. The situation was simply one where it was necessary to test public opinion. This could be done only by an appeal to the people. After some ineffectual efforts to see what could be effected by negotiating a treaty with Cuba and possibly calling the Senate in special session to ratify it, the President's eagerness to push on was finally restrained by the conservative "sugar trust Senators," and it was determined to see how the elections would turn out in the autumn before deciding what to do next. The Cuban reciprocity struggle of the session of 1901-1902 was ended.

CHAPTER XII

THE PRESENT AND FUTURE OF RECIPROCITY

The closing of the Congressional session 1901-1902, in July, left the whole reciprocity question at a critical and very dangerous stage. Congress had clearly manifested its intention to do nothing whatever in the matter of reciprocity until some further mandate had been received from the people. Even as concerned relations with Cuba it had declined to act; and had given the President as open and severe a rebuff as had been administered to the Executive by any Congress for many years past. The Congressional elections were, however, coming on and this was fortunate, for it made it possible to subject the reciprocity question to a direct test before the people. The President at once set on foot negotiations with Cuba for a reciprocity treaty, it being felt that such a plan would give rise to less hostility on some grounds than that which had been shown toward a bill aiming at the same object. His main idea, however, was to lay his case before the people at the coming election in what he considered an open and straightforward way. In a speechmaking tour during the summer he took occasion to express himself now and then for Cuba, and, in a vague and general way, for reciprocity at large.

The logic of events, however, seemed to be on the president's side. There was still abroad in the country much of the sentiment which had been evident at the time of the Spanish war, and which had been assiduously fanned into life by the agitation of the agents of the sugar trust, and of those who believed it to be desirable to draw us into closer political

relations with Cuba. The most immediate source from which a declaration for Cuban reciprocity could come was, of course, the various state conventions whose meetings were scheduled to take place from and after the opening of July, 1902. Even before the close of Congress, a few of these conventions had occurred. They continued at intervals throughout the early summer and while they in general renominated the men who had opposed Cuban reciprocity, they also issued declarations favoring the President's policy on that topic. The verdict of the conventions, in the main, was peculiarly strong and clear in its support of the President's reciprocity policy. This was precisely as every administration man would have wished. The renomination of the beet sugar Republicans took away a principal source of friction and ill-feeling, while at the same time it was made clear by the state platforms that the people did not approve of their ultra-protectionist attitude at least on this subject. It was earnestly desired by the administration that candidates elected on these platforms should succeed and that a Republican majority in Congress should be maintained. At the same time, it was not to be regretted if that Republican majority should be slightly curtailed. The administration would then have the whiphand in enforcing party discipline. It could say to the beet sugar Republicans that the time had come for them to throw aside their opposition and obey the mandate served upon them during the summer. It was, however, desirable to do something which would relieve the beet sugar Republicans of the humiliation of voting for a measure they had vigorously opposed. In Washington it was felt, therefore, that the best course would be to prepare a treaty with Cuba. It would then be possible for the defeated beet sugar men to vote for the treaty, saying as they did so that they had never opposed a plan of that description, and that their only ground of hostility was found in the fact that the reciprocity proposition had been embodied in statutory form. To this end therefore, negotiations were pushed forward.

The elections turned out in a way to satisfy even the most ardent of Republicans. True, the Republican majority was cut down in the House of Representatives with every prospect of losing some seats in the Senate. But, as we have just seen, this situation was not at all to be regretted from the administration standpoint. Beet sugar men who succeeded in getting back into Congress, although in some instances with reduced majorities, had received such a warning that within a month after the elections the prospects for reciprocity with Cuba were brighter than they had been for a long time past, and reciprocity advocates were even anticipating that other reciprocity treaties would perhaps be accepted during the session 1902-1903. Yet there were some clouds on the horizon. In spite of the terrible misery and suffering impending over Cuba, which was loudly trumpeted about during the Spring of 1902, little was heard after the close of Congress concerning the Cuban situation. A few discontented outcries from "Cuban planters," and a few "high-minded" complaints from men who were in the employ of American interests in Cuba, was substantially all. The Cuban question in its acute form sank almost as suddenly from view as it had appeared. There were several reasons for this result. In the first place, the powerful American interests which were behind Cuban reciprocity never for an instant lost faith in their ability ultimately to secure control in the Island. They went on building railways and investing capital in spite of their threat not to do so. Moreover, Cuba, with her marvellously fertile soil might produce to advantage, even without any reduction in our tariff. The enforcement of the Brussels Convention, although rather far off, at all events prevented sugar prices from falling lower. Moreover, the acreage of sugar beets in Europe had been cut down somewhat, partly as the result of low prices, and partly on account of the work of the Brussels convention. The price of sugar during August, September and October, 1902, did not materially decline and toward the end of that period took an upward trend. Esti-

mates of the beet sugar production for the year, made about the end of October, showed a decrease in beet sugar yield from something like 6.8 million tons to about 5.8 million tons, a notable falling off. The stock carried over from the preceding year was exceedingly large and the cane crop of the world had increased slightly, but on the whole the prospect for sugar, in 1902-1903, was that the supply would be somewhat smaller than during the preceding year. The Cubans themselves had slightly recovered their courage and partly discontinued their attitude of mendicancy. That there was considerable dissatisfaction in the minds of annexationists and extreme reciprocity advocates as a result of this situation, goes without saying. The "ward of the United States" theory seemed to be fading away, and the prospect of annexation as a consequence of Cuban necessities was less favorable than it had been. It seemed that Cuba was "drifting away" from the United States and was "looking to England." These things displeased many politicians who had previously been favorable to the Cuban cause, but it also led them to see that we had better make haste in granting reciprocity, or perhaps Cuba would not want it. There had always been a controversy as to the amount of the concession to be granted by us to the Island. Estimates on this subject had varied from fifteen to fifty per cent. as the minimum. We have seen that the Payne bill had specified twenty per cent. Late in the summer of 1902, Cuba manifested a renewed disposition to demand fifty per cent., and showed no particular desire to continue the negotiation of the treaty. While the terms of this document were, of course, not made public at the time it was taken for granted that the rates specified by it were twenty per cent. Cuba plainly indicated a feeling that the concessions asked by us, and the requirement that our immigration and exclusion laws should be enforced, were too high a price to pay. There was a prospect that the session of Congress would open and that no treaty would be ready to place before it. If it should turn out that Cuba

could not be brought to accept our terms, the administration would find itself in a strange position, after its expressed sympathy for the sufferings of the Island. In order to obviate any such disagreeable outcome, Major Tasker H. Bliss was ordered, about the middle of November, to proceed to Cuba in order to investigate the situation there prevailing and to promote a general feeling of solidarity with the United States.

The tendency of Cuba to "drift" was not the only alarming feature of the reciprocity situation. Very early in the campaign, there had appeared a strong disposition in certain parts of the country to demand either extensive tariff revision, or else greatly extended reciprocity. In Iowa, a platform was adopted by the Republican convention of that State which declared against a permanent maintenance of the existing tariff, when it appeared that the schedules were sheltering and promoting monopoly. So heavy a blow was this to earnest Republicans of the strong protectionist type that Speaker Henderson felt himself compelled to resign from his candidacy for re-election to Congress in his Iowa district. Secretary Shaw actively took the stump, and by his interpretation showed very clearly that the Iowa platform meant nothing at all, or if it meant anything was favorable to the protective idea. Secretary Wilson also stood firmly for protection in speeches and in more direct political work. It seemed, however, that "the Iowa idea" had thoroughly infected large sections of the West. A year earlier, Congressman Babcock, of Wisconsin, had introduced into Congress a bill designed to take the tariff off from heavy products of the furnace, in steel and iron, and though he had been temporarily cowed by Chairman Payne, of the Ways and Means Committee, with the threat that if Mr. Babcock persisted they would "go up into Wisconsin and take the tariff off lumber," he had seemed to stick firmly to his favorite measure. A disavowal of the principles embodied in this bill was made by Mr. Babcock during the campaign of 1902; but the free trade and anti-trust leaven was doing its

work among the Wisconsin Republicans. Elsewhere in the West the same tendency was observable.

Nor was the liberal movement confined to the West. In New England there grew up a vigorous demand for free raw materials, including hides. A strong demand for reciprocity with Canada was also felt. Secretary Hay concluded a fishing treaty with the province of Newfoundland (on the same basis as the one previously negotiated by Secretary Blaine), for presentation to Congress. The discussion of Canadian reciprocity assumed a prominence throughout the Congressional campaign in New England, although Senator Lodge made efforts to obscure the issue by claiming that the real obstacle in the way of Canadian reciprocity was the unfriendly attitude of Canada on the Alaskan boundary question. The success of certain candidates at the polls showed that these ideas were vigorously at work. Moreover, Representative Lovering, of Massachusetts, had introduced in Congress during the Winter of 1901-1902 a bill for the liberalization of our customs drawback legislation. In this measure it was sought to render it easy for manufacturers to import foreign raw materials into this country, manufacture and re-export them without being subjected, on such applications, to the embarrassing delays arising from technicalities enforced by the Treasury. This, of course, was merely another symptom of the demand among manufacturers for better tariff conditions. All over the United States, in fact, there rose an outcry for tariff reform. Probably nothing but the popularity acquired by President Roosevelt in settling, for the time being, a troublesome and dangerous coal strike in the autumn of 1902, gave the Republicans a victory. President Roosevelt himself understood how public opinion was going. He had very early made a definite statement, conveyed through Cabinet officers, to the effect that he had no intention whatever of curbing the trust evil by a reduction of tariffs, or of revising the old tariff schedules in the immediate future. After a tariff conference at Oyster Bay during the

late summer of 1902, at which certain Senators and some others were present, the President strongly expressed in a public speech a desire for the appointment of a permanent tariff commission to recommend to Congress changes in schedules. This, of course, was at once regarded by the Democrats as an attempt to juggle with the question. It did not satisfy the reformers and it annoyed and worried the partisan Republicans. For a moment it seemed as if the President hesitated to pursue the idea further, but it was not very long before definite announcements from the White House showed that the tariff commission idea was to be pushed as an administration measure. Moreover, hints were thrown out from time to time that a revision of the tariff schedules by Congress would be recommended by the President, and that he might call an extra session of Congress for that purpose in March, 1903. It was noteworthy, however, that these suggestions were made chiefly in those parts of the country where the revision sentiment was strong.

The opinion of the country had been changing on the subject of reciprocity. Throughout our whole history during the past twenty years there has been a rhythmic swing of public opinion from tariff revision to reciprocity as a means of getting relief from the burdens and injustice of existing schedules. Reciprocity has been a failure so far as tariff reform through that means is concerned. This, more than anything else, has again driven public opinion to the side of tariff revision. At the opening of the Congressional session in 1902-1903 there are, therefore, several important questions facing the country. Does it in the first place, want reciprocity? If so, can reciprocity be had? And, finally, is reciprocity to be considered a substitute for tariff revision or not? These questions are important. It is for their settlement that the information contained in the present volume has been gathered. Yet they are questions which can be settled only by the public and upon which no *obiter dictum* will suffice. It is worth while in a

general way to review the main considerations which suggest themselves upon this topic, in order to indicate the lines upon which the discussion of these questions must proceed.

In considering the question whether or not we really want reciprocity, we may make a distinction at the outset between Cuban reciprocity and reciprocity in general. Dealing first with Cuba, it should be observed that the country has pronounced itself in favor of a grant of reciprocity to the Island. It should be noted, however, that this grant is to be twenty per cent. and no more. The verdict of the last election could hardly be construed as a mandate to give more than that amount, and it seems likely that the opposition will concentrate its powers in an effort to limit the concession to that figure. This naturally raises the question whether Cuba will want reciprocity at that rate, and if not, whether it is wise that we should make a larger offer.

Without attempting here to go into the cost of production of sugar in Cuba, there are certain manifest considerations which suggest themselves in connection with Cuban reciprocity. In the first place, it should be understood that the moral issue at stake in the Cuban problem is either nil or so small that it may be neglected. It is possible that we have already done for Cuba as much as that country has any right to ask. The pledge given to Cuba, if made at all, was made only on the personal faith of President McKinley, without authority from Congress. It seems, moreover, to be permissible to look at the reciprocity question in regard to Cuba, as in regard to other countries, from a strictly economic point of view. Our moral obligation to the Island scarcely implies more than that we should put her on a basis of fair competition with all other countries in our markets. If we are to go farther than this, if we are to admit Cuban sugar to our markets on more favorable conditions than that of other countries, it is fair for us from the tariff standpoint to inquire whether the advantages we shall receive are equal to those we shall give. This state-

ment is not based upon free trade philosophy, for if guided by that philosophy we should do well to reduce our duties on sugar to the revenue point, without question as to the policy of foreign countries. Speaking, therefore, from the protectionist's standpoint, first of all, we have to inquire whether or not our moral duty to Cuba has been fulfilled by placing her sugar in our markets upon an equality with that of foreign countries.

It will be remembered that the McKinley Act had admitted raw sugar free and that the Wilson bill had imposed a countervailing duty on bounty-fed sugar. We have seen, too, that this countervailing duty was brought to perfection under the Dingley Act which imposed a countervailing duty equal in amount to any bounty bestowed by any foreign country on any article including sugar. Under the act of 1890, therefore, the product of sugar in Cuba stood on precisely the same basis as bounty-fed European beet sugar in our market, while our domestic sugar producer had an advantage of two cents per pound over either. At the present time, under the Dingley Act, Cuba, which grants no bounties, can send her sugar to the United States at an advantage of twenty-seven one hundredths of a cent per pound as compared with the beet sugar of Germany, while its disadvantage as compared with domestic sugar due to the tariff is only about 1.7 cents. The difficulty which Cuba has had to encounter in the cultivation of sugar is not due to the "loss of our market," but is due to a general decline in the price of sugar in the world's market. Should we admit Cuban sugar subject to a reduction of twenty per cent., or any other per cent., there is no reason to suppose that the price of sugar at Havana would be better than it now is. As has so often been pointed out in the course of this discussion, sugar prices are determined in the world's market, and not in that of the United States. Why should the American refiner of raw sugar be willing to pay more for Cuban raw sugar than for raw sugar from Europe? Assuming that he would be per-

mitted to bring his Cuban sugar into the United States at twenty per cent. reduction, that certainly would not show (unless at all events there was competition among refiners in the United States) that the Cuban planter would be able to get the whole of twenty per cent., if any part of it. It would be largely a question of bargaining power.

In summing up the situation with regard to Cuba, we cannot do better than to quote from a recent article in which our domestic sugar problem is very thoroughly considered.[1]

"In the case of Cuba there seems to be less danger than in Porto Rico of relatively large gains being obtained by dealers instead of producers. The much larger scale of production practiced in Cuba strengthens the economic position of the producers. It is the commercial custom there, as well as in Louisiana, for central factories to pay for each ton of cane purchased the quoted price of a fixed quantity of sugar. This method of payment tends to distribute any market advantage, even among the mere producers of cane [the colonos]. The planter and the factory, according to some of the testimony, gain about equally from an increase in price.

"The question of Cuban reciprocity involves the whole commercial policy of the United States towards its dependencies. It is not the simple question that it is painted either by its advocates, as necessary to keep faith with Cuba, or by its opponents, as disregard of the vested interests of domestic producers. * * * Under the free-sugar provision of the McKinley Act, Cuba was prosperous; by the repeal of that law, 'Cuban sugar was shut out of the American market,' and economic distress and the insurrection were the result. To remove the cause of the economic distress, it is argued, reciprocity must be re-established, in aid of which President McKinley promised his influence. The economic side of the argument is clearly at fault. The shipping price is not so much affected by the amount of the duty imposed—that directly increasing only domestic prices—as by its discriminating features, which operate either as handicap or stimulus to the industry of particular countries. Under the act of 1890 Cuban sugar was on the same footing as European beet sugar, and at a disadvantage of two cents (bounty) per pound compared with domestic sugar. Under the Dingley Act Cuban sugar has an advantage of one-fourth

[1] *Quarterly Journal of Economics*, Vol. XVII., Nov., 1902, pp. 77-9. "The Sugar Question in the United States," by F. R. Rutter.

more precisely .27 cent per pound over German beet sugar and a disadvantage of less than 1.7 cents compared with domestic sugar. The lower price obtained by Cuban shippers—1.8 cents in 1902 as compared with 3.1 cents in 1892—is the result of a general fall in sugar prices. The Hamburg prices of 88-analysis beet sugar show a still more marked decline—from 3.2 cents on January 7, 1892, to 1.4 cents on January 2, 1902. Cuban sugar under the act of 1890 had no special advantage whatever in the American market, under the act of 1897 it has—the countervailing duty—and is at no disadvantage save with domestic and colonial sugar. American law can determine only relative prices and variations from the world price. It does not determine absolute prices except within the United States."

When we come to consider the question whether reciprocity in general is a policy to be desired by this country, the inquirer is obliged to recognize several aspects of the problem. The question at once arises—desirable for whom? Evidently in considering a tariff policy of this kind, it might be that the adoption of the policy would serve the interest of the whole of the population, or of but a part of it. It might be worked out so as to assist specific classes only. Therefore, as a policy, it becomes necessary to recognize different aspects of reciprocity. It is evident that the only way in which it could be helpful to the consumers of the country, as a class, would be through a reduction in price of the commodities used by them in daily life. Were such results to be obtained from reciprocity, they would evidently differ in no material respect from the benefits alleged to come from tariff reform or from a reduction in protective duties. If this were to be the case, the reciprocity problem would be reduced to a decision whether it was desirable for us to adopt a general reduction of duties as a protective system against all countries, or whether we should adopt a reduction of some duties, as opposed to a protective system against those only which enforced protective duties against us. This at once opens the whole tariff problem. Into such a discussion it would be out of place to enter at this point. It is worth while, however, to note that, granting the

soundness of the free trade hypothesis, there is no reason for enforcing protective duties against those countries which enforce protective duties against us. Conceding that the doctrine of free trade is based primarily upon an economic motive, namely, that it is for our own interest to charge no duties upon foreign imports, we must conclude that it is foolish to advocate a retaliatory policy whereby we should enforce protective duties against those countries which tax our imports to them. To do so merely means that we sacrifice the benefits arising from following our own self-interest, since we injure our consumer by a system of taxation which results in higher prices to him. Of course, the answer made by many *soi-disant* tariff reformers and free traders is that the sacrifice involved in imposing these protective duties would be only temporary, inasmuch as we should soon persuade our foreign competitor to let down his tariff bars upon condition that we do the same. Thus, by a temporary sacrifice imposed upon the home consumer, we would be able to put our manufacturer on a better basis in foreign countries. Without going into the fallacious theory upon which this argument is based, it is enough to say that at all events the experience of the past does not warrant a belief in such an outcome. The result of duties levied by a free trade country in the way already described almost uniformly leads to the enforcement of similar duties in return, and a tariff war results. This may continue indefinitely. It would appear, upon theoretical grounds, that one must conclude that the main use of countervailing duties is to put imports from all foreign countries upon the same basis; that is to say, to prevent any one foreign country from getting an advantage over another in our markets.

Discarding, therefore, this question concerning the use of tariffs as weapons to compel reciprocal concessions in international trade, we come back to the question whether reciprocity, as such, can benefit the consumer. Here at once we find ourselves compelled to recognize different kinds of reciprocity.

In doing so, it is necessary also to fall back upon certain well known economic principles. In the first place, it is clear that reciprocity cannot result in reducing prices to the consumer so long as the amount of goods imported into this country under any reciprocity agreement is less than the required supply. Nothing can be more certain than this, and nothing is more directly in harmony with the recognized economic principle that price is determined by the most expensive portion of the supply. As Professor Taussig puts it:[2]

"It may be laid down that any remission of duty which does not apply to the total importations, but leaves a considerable amount still coming in under the duty, puts so much money into the pockets of the foreign producer."

Evidently, in such a case as this, reciprocity could not be justified on the ground of its relation to the consumer, but, if at all, only upon that of its effect upon some other class in the community.

Another case requires also to be recognized. Even if the total supply of any commodity should be imported into a country, although not in a form which was suitable for immediate use, it would not necessarily result that the consumer would benefit from the reduction of the tariff, if the intermediate process of manufacture required to fit the goods for his use was in the hands of so close a monopoly as to prevent any reduction of price. In such a case, the benefits of a reduction of duty would go into the hands of the manufacturers who conducted the intermediate process.

Finally, we may recognize a case where our reciprocity agreements are extended in such a way that the whole importations of any particular commodity are affected by the reduction of duty, and where processes of manufacture are competitive. Although it may happen that such an agreement would apply to only one country, or to a whole

[2] *Quarterly Journal of Economics*, 1892-3, Vol. 7, p. 28.

group of countries, the main point is that it shall be effective over the whole of the required supply of the commodity, and that there shall be no monopoly in its manufacture. In such a case it is evident that the importing country gets its whole supply of the goods cheaper to the extent of the reduced duty. Manifestly, there is no difference so far as the consumer is concerned, between such a policy and a reduction of the tariff by law. It might be that, by such a process, we should have succeeded in buying similar concessions for some of our exports, but with this aspect of the case we have for the present nothing to do. The status of the consumer is the same in one case that it is in the other. At this point, therefore, the advocacy of reciprocity from the consumer's standpoint leads off into the same arguments upon which tariff reductions are based, save in so far as reciprocity represents an attempt to buy corresponding concessions from foreign countries for our manufactures—an attempt whose economic bearings will be presently discussed. To sum up, therefore, the case concerning reciprocity from the consumer's standpoint, it may be said that reciprocity, when it can produce a fall in the price of imported commodities, is not, in its relation to the consumer, different from tariff revision.

Let us now turn to a discussion of reciprocity from the standpoint of the producer. The usual argument for reciprocity proceeds on the assumption that if we grant a reduction in our duties on certain articles and thereby secure reductions in foreign countries on certain other articles exported by us, the producers of these latter articles will prosper. What has been said before with reference to the consumer may now be recalled, speaking this time of the consumer not as our home consumer, but as a consumer located in some foreign country which imports certain goods from us. Evidently if the tariff concessions granted us apply to some commodity in which we are able to furnish only a small portion of the supply required by a foreign country, the consumer in that country will not

find the price to him lower than before, and the result will be a differential advantage in favor of our manufacture of such goods. Cases of this kind, however, as things now stand, must be comparatively rare. The kinds of goods, of which a large country like the United States would furnish only a small portion of the required supply, are comparatively few in the class of raw materials; while in manufactures the commercial systems of the Western world are now such that foreign countries are very unlikely to grant us any such differential advantage as would put us in a more favored position as to manufactures than other producing countries. We have often tried to get into just such a position of differential advantage, but have never succeeded in so doing. We have always found either that the reciprocity treaty concluded with us was only one of a series of similar treaties whereby we merely obtained the status of the most favored of foreign countries, or else that the country with which we entered into relations was so small that we were able to send it the whole of its desired supply. In such cases the result was simply that our manufacturers had a somewhat wider market in which to compete with each other. In no case did they gain a practical subsidy by being able to sell their whole product at a price which, by the operation of the foreign tariff, applied to a much larger supply of the same commodity imported from other countries (than ours) into the market in which we had been granted the advantages of reciprocity.

It may now properly be asked whether we may not, however, gain much advantage from having foreign markets open to us, so that we may enter them upon the same basis as other foreign countries. This is practically the same question that has already been raised in connection with the interest of the consumer, viz: whether it may not be worth while to pay a subsidy to foreign producers of certain articles, this subsidy to be paid out of the pockets of our consumers—in order that our manufacturers may gain a broader market for their com-

modities in the ports of the country with which we enter into the reciprocity arrangement. There is evidently involved here a question of social justice. Is it, in short, right to burden our consumers with the payment of a practical subsidy to foreign producers in order that our producers may gain a somewhat larger market? Clearly, some persons would answer such a question in the negative. Problems of social justice, however, seldom play much part in tariff discussions, and it may be worth while, therefore, to confine the argument to the question whether the subsidy thus paid by us will be met by a proportionate advantage enjoyed by our producers. Evidently, that will not be the case unless our producers are able to secure a higher price for their commodities in the ports of the foreign country than they would have obtained had there been no reduction in the tariff. There is no reason to suppose that they could get a higher price; for in most commodities our productive capacity is so large that a slight increase in foreign demand is met at once by an increase in the domestic output of goods. For instance, if a market is open for our wheat and corn in Cuba it is not to be expected that the price of those articles in general would be higher. Cuba's demand is small. But, even if it were large, the result would be an increase in our corn and wheat producing area, rather than a rise in the prices of those products. It is very hard to see, therefore, how our producers would profit from reciprocity in any way that they would not profit from tariff reductions. The case comes back to the same point that was reached when we studied it in connection with the consumer's interest. If the arrangement is limited in its scope, either through the smallness of the demand or through the unimportant character of the articles upon which it bears, there is no general gain to be acquired either by producer or consumer. Under certain conditions, reciprocity may result in a subsidy to certain interests at the expense of certain other interests. Under general and broad extension of the policy,

reciprocity may result in increasing the scope of the demand for our commodities and in enlarging the volume of international trade. In so far as this process goes on, both producer and consumer are assisted, because it is an approach to freer trade. Reciprocity under limited, narrow, and partial conditions means an intensification of monopoly. As an instance of the latter kind of reciprocity, we may cite the case of Hawaii. As an instance of the former, we may mention that of Canada. No case is known wherein the producers of the United States have been able by means of a reciprocity treaty to acquire the same position with reference to foreign countries that Hawaii acquired in relation to the United States.

It is unnecessary to say much of reciprocity viewed as a policy of retaliation. We have seen that the reciprocity of the McKinley Act consisted primarily in a tariff threat. That is to say, we threatened that unless some concessions were granted us we would raise duties on certain foreign products. The concessions were granted to us in some instances, and in return we got presumably the slight enlargement for demand of our manufactures that has already been sketched as a possible result of such tariff concessions. Had we, however, imposed retaliatory duties on the products of any considerable number of countries, the result would have been to lay a heavy tax on our consumer because we did not think the American producer received fair treatment in foreign countries. We should have been cutting off our nose to spite our face. For such a policy of retaliation, there can evidently be but slender warrant.

It will be worth while to classify reciprocity treaties, in the light of what has just been said, according to the commodities upon which they bear. Much has been said of the benefit to our farmer under the treaties negotiated in accordance with the McKinley and Dingley Acts, yet in most cases, as has appeared in the preceding discussion, it seemed that our exports of manufactures were, if any, the ones favored by the reci-

procity treaties. It is certain that it is useless for us to try to foster trade in farm products with countries which already produce those products more cheaply than ourselves, or which can get them at much less expense from a nearer source. On the other hand, it is idle for us to think of increasing a trade in manufactures with countries granting, say, a reduction of twenty or twenty-five per cent. of their duties on our exports to them when our producers of those very articles claim that, in order to compete with foreign producers in their own home market, they need fifty or sixty per cent. of protection. If they cannot survive in our markets with such protection as twenty or twenty-five per cent., evidently they cannot compete in the foreign market with a concession only of that amount, unless they are selling to foreigners at lower prices than they are charging domestic consumers. If they are doing the latter, the sooner we know that that is what reciprocity means, the better. Of the question whether it is right to barter away one man's protection in order to gain a trade opening for another man, it is not necessary to speak. The usual argument states that we barter away only that protection which is no longer needed. To such a statement, of course, it is natural to reply that if the protection is no longer needed it should be withdrawn in the interest of our consumers. Certainly no one would object to having foreign countries cut down tariffs on other goods of our own production in return for our removal of a protection which was no longer needed. In that case, what has happened is that we have righted a wrong on our side, and that our consumers will profit to that extent. As for the benefit accruing to our producer, whether of agricultural or other products, under such an arrangement the result will doubtless be, as we have already seen, some increase in international demand which will be met by a corresponding increase of production on our side. This increase would counteract any tendency to a rise in the price of the goods unless such increase resulted in pushing the margin of cultivation to less

favorable lands—a result so slow in its operation that it may be neglected.

But, should we desire reciprocity? We should desire reciprocity if it will result in benefit to ourselves. And we have seen that it will result in this way only when it is broadly extended and when it produces a general reduction of our tariff duties on important objects in return for correspondingly important reductions to us. Certainly there is no reason why we should deprive ourselves of the immediate benefit of cheaper goods because we feel that we must wait until other countries are willing to get our goods as cheaply. But if we must wait before indulging ourselves in such gains until other countries are willing to do the same, the benefit will, nevertheless, be realized when the action finally comes, provided, as has been said, the reductions are of sufficient extent to make themselves felt. To make all this perfectly concrete, we may cite the instance of the proposed French treaty now pending before the Senate. There can be little doubt that the mutual reductions of duty provided in that treaty would be beneficial to both sides. Of course the fact that both countries raised their duties exorbitantly high, merely in order to let them down again through reciprocity negotiations, seems to the ordinary observer a futile operation. But the fact remains that duties *are* high and if they can be lowered as proposed by the French treaty, consumers and producers on both sides will mutually profit by the enlarged volume of international trade and the greater number of satisfactions resulting therefrom. Certainly there is one phase of reciprocity that we cannot favor. That is the kind of reciprocity which consists in monopoly concessions to a limited number of foreign producers which are paid for by our consumers (or *vice versa,* in monopoly concessions to our producers paid by foreign consumers). As things are organized in this world, no one ever gets anything for nothing. Such concessions could be made by us to others, or by others to us, only because it was hoped that compensation for the

exceptional advantages would be made through the acquirement of political superiority or influence or territorial expansion. We have seen in what way these remarks apply in the case of Cuba. It is at this point that reciprocity assumes the form in which it was denounced by President Cleveland. It appears as a device for entangling our revenue system with that of foreign countries for the purpose of territorial expansion, or national aggrandizement.

Whether we can get reciprocity as a practical matter of fact depends very much upon whether we want it or not. Of course, if the public of this country were to issue a mandate at the polls to that effect, the policy would be inaugurated. But no such mandate is likely to be issued, save in some isolated instance like that of Cuba. The ordinary man does not think of reciprocity at all, or if he thinks clearly and carefully on the subject, he sees that unless it assumes a much more widely extended form than any that has yet been promised, he has no interest in it save in a vague and very general way. If, therefore, he sufficiently analyzes the situation to consider his own interest as a consumer, he is likely to become a tariff revisionist, rather than a reciprocity advocate. In short, the contest over reciprocity treaties, save in exceptional cases, necessarily narrows to a conflict of opposing interests. Some manufacturers would like to get openings for their goods and to stimulate the foreign demand for them. Others are unwilling to sacrifice a jot of their protection in order to build up the trade of their friends in other lines of industry, by enlarging the demand for the goods of others at their own expense. The ratification or rejection of reciprocity treaties, therefore, becomes a battle of special interests highly demoralizing to the legislative body. Always there is present the notion that it is unwise or harmful to make any inroad on the "protective principle," because of the disastrous results which may flow from a division of interests. There is an ever present fear that if one schedule is disturbed others will be, and so, even those

who are not directly affected by a reciprocity treaty are interested to prevent its ratification in the interests of conservatism and stability. While, therefore, we can of course, get reciprocity if we want it, in any specified case, we are not likely to get it in many cases because tariff revision is a much more ready and immediate road to change, if change is wanted; while if general change is not wanted, one interest will probably be about as strong in Congress as another, and matters will tend to remain undisturbed. Looking at the immediate prospects for the ratification of the reciprocity treaties already before the Senate, it seems certain that but few of them will ever be accepted. This, however, like every other political prediction, is precarious; but so far as present indications are of weight there is no manifest reason to believe that any of the important treaties will be ratified. If only one, or even a few of the less important arrangements should be accepted, the result would be merely a small subsidy paid by the American consumer to foreign producers in some unimportant countries.

It may be inquired whether it is to be inferred from what has been said that there is no hope for good results from reciprocity as a means of extending markets. Certainly, there is nothing to be expected in a general or far reaching way from the policy. We have failed to conquer the South American trade by our concessions on vanilla beans and chewing gum. We have declined to enter into closer relations with Canada. We have thus far failed to make even the smallest curtailment of duties on manufactures imported from Europe. If reciprocity is to be successful as a policy, it will need a total reorganization in its scope. Were we to grant to Canada the privilege of free entry of her raw materials into the United States—her coal, her lumber, her ores and her cereals—obtaining in exchange therefor similar concessions on her part, with perhaps a reduction of tariff duties on our manufactures sent to Canada, consumers on both sides of the line would be greatly advantaged and something would have been done in the direc-

tion of real reciprocity. If we could actually secure a tariff treaty with Mexico, like that which was rejected in 1884, free trade would practically be established between the two countries, and who could doubt that commerce would receive an immense stimulus? If we could overcome the selfishness of our producers of wool and sugar and open our ports freely to those articles, when sent to us by South American countries, there would be no need of further talk about the necessity for subsidized steamships, railways, and banks, designed to minister to the South American trade. These needs of commerce would at once be supplied by the force of commercial necessities. But there is no immediate prospect that any such measures will be taken. Nothing short of drastic tariff revision, or its equivalent, could accomplish such results, and for this the prospect just now seems well nigh hopeless. Even could a Congress be elected which would possess the energy and courage to introduce such reciprocity measures, it would not be likely to wait for the slow and hesitating action of international negotiations. It could cut down our duties, open our ports to the products of Canada, Mexico and South America, and could trust to the natural forces of international trade to keep the balance of our commerce between the United States and those countries even. It would recognize that we cannot buy without selling, and that they cannot sell to us without buying. In short, if we should ever approach the stage of development in tariff matters where reciprocity could be had, we should not need it.

Indications are not wanting, however, that the ultimate result of the tariff discussion which, within the past two years, has taken on a new lease of life, will be a thorough revision. For twenty years past, the pendulum of public opinion has swung back and forth from reciprocity to tariff reform. Disappointed in the one it has turned to the other. Yet it has never succeeded in getting a definite trial of reciprocity until the passage of the Dingley Act. Under that instrument the

futility of reciprocity efforts has apparently been shown with great conclusiveness. It is time for a revulsion of public opinion and that revulsion seems now to be well under way. The tariff reform sentiment has always been present in the minds of certain portions of the American people. There has been no time during the past twenty years when it has not been recognized, even by staunch protectionists, that something must be done to overcome some of the injustices of the tariff system. The reciprocity hope has been dangled before the eyes of the people even in those times when the protective spirit has seemed to be most invincible. This was the case under the McKinley Act; it has been the history of the Dingley Act as well.

APPENDIX I

BIBLIOGRAPHY

LIST OF REFERENCES ON RECIPROCITY AND ALLIED SUBJECTS

The following bibliography has been made up from the books and periodicals of the Congressional Library. In 1902 Mr. Herbert Putnam, Librarian of Congress, transmitted to Hon. William P. Frye a bibliography containing a list of authorities on reciprocity compiled by A. P. C. Griffin, Chief Bibliographer. In this bibliography, it was supposed, all the material contained in the library had been enumerated. Further investigation has shown numerous gaps in this list. These gaps have been found both in the list of Congressional documents and in those of periodicals and books. They have been supplied, so far as practicable, in the following bibliography. The books are here arranged under separate subject headings, instead of chronologically without distinction of subject, as in the Congressional bibliography. It is believed that this arrangement will be more helpful to the reader. Some titles, apparently not germane to the matters in question, have been eliminated from the Congressional list, but most of those therein enumerated have been retained. It is believed that the bibliography herewith furnished now includes the bulk of the material on the subject to be found in the Congressional Library.

STATISTICAL AND DOCUMENTARY.

Wharton, Francis. A digest of the international law of the United States. (2d ed.)
Washington: Government Printing Office, 1887. 3 vols. 8°.

Production of beet sugar in the U. S.
8. Department of Agriculture. Farmer's Bulletin, No. 52.

Monthly summary of commerce and finance.
Treasury Department. Bureau of Statistics. 1880-1902.

List of references on reciprocity. Books, articles in periodicals, Congressional documents. A. P. C. Griffin, Chief of Division of Bibliography, Congressional Library.
Washington: Government Printing Office, 1902.

Austin, O. P. Reciprocity treaties and agreements between the United States and foreign countries since 1850.
(Treasury Department. Bureau of Statistics. Summary of commerce and finance for September, 1901. iii. pp. pp. 939-968. 4°.)

The world's sugar production and consumption. Showing the statistical position of sugar at the close of the nineteenth century. Treasury Department. Bureau of Statistics. From the monthly summary of commerce and finance for January, 1902.

Decisions of the U. S. Supreme Court in regard to reciprocity and the "most-favored-nation clause."
Bartram et al. vs. Robertson. 122 U. S. Reps., p. 116.
Whitney vs. Robertson. 124 U. S. Reps., p. 190.

CANADA.

Documents.

1850. Reciprocal trade with Canada. Message from the President, relative to the reciprocal admission of the natural products of the United States and Canada free of duty. May 16, 1850. 37 pp. 8°.
U. S., 31st Congress, 1st session. House executive document No. 64.

1851. Commercial intercourse between the United States and the British North American provinces. (Correspondence between the Department of State and the British Legation, March, 1851, to June 24, 1851.)
U. S., 32d Congress, 1st session. Senate executive document No. 1.
Report of the Secretary of the Treasury, in relation to the trade and commerce of the British American colonies with the United States and other countries since 1829. Feb. 6, 1851, 775 (1) pp. 8°.
U. S., 31st Congress, 2d session. Senate executive document No. 23.

1852. Report of Israel D. Andrews on the trade and commerce of the British North American colonies. Aug. 25, 1852. xix, (1) 906 (1) pp. 8°.

U. S., 32d Congress, 1st session. House executive document No. 136.

1853. (Report by the Secretary of State, Edward Everett), relative to the negotiations pending between the United States and Great Britain, on the subject of the fisheries, of reciprocal intercourse with the British North American provinces. Feb. 8, 1853. 3 pp. 8°.

U. S., 32d Congress, 2d session. Senate executive document No. 34.

Fisheries and commercial reciprocity with Canada. Message from the President, Feb. 8, 1853. 3 pp. 8°.

U. S., 32d Congress, 2d session. House executive document No. 40.

Report (of) the committee on commerce, relative to reciprocal trade with the British North American colonies. Feb. 11, 1853. 92 pp. 8°.

U. S., 32d Congress, 2d session. House report No. 4.

Report from the Secretary of State, in relation to the fisheries on the coasts of the British North American provinces. Feb. 28, 1853. 21 pp. 8°.

U. S., 33d Congress, special session. Senate executive document No. 3.

1854. (Report by Mr. Mason from) the Committee on Foreign Relations, to whom was referred the treaty extending the right of fishing, and regulating the commerce and navigation between Her Britannic Majesty's possessions in North America and the United States, concluded in the city of Washington on the 5th day of June, 1854, between the United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland. July 11, 1854.

U. S., 33d Congress, 1st session. Senate.

Andrews, Israel D. Report of the trade and commerce of the British North American colonies, and upon the trade of the great lakes and rivers.

Washington: Beverly Tucker, Senate printer, 1854. viii, 851 pp. Maps. 8°.

Reprint of Senate Document No. 112, 32d Congress, 1st session; House document No. 136, 32d Congress, 2d session.

The reciprocity and fishery treaty: history of negotiations and statements of commercial results; addressed to Hon. Wm. H. Seward, Secretary of State.

Washington: Printed by L. Towers & Co., 1862. (2 v, 272 pp. 8°.)

1859. Letter from the Secretary of the Treasury, transmitting statistics of the trade under the reciprocity treaty with Great Britain. Feb. 15, 1859. 8 pp. 8°.

U. S., 35th Congress, 2d session. House executive document No. 98.

1860. Reciprocity treaty. Reports of Messrs. Hatch and Taylor, in reference to the operations of the reciprocity treaty. June 18, 1860. 60 pp. 8°.

U. S., 36th Congress, 1st session. House executive document No. 96.

1862. Report of the Committee on Commerce, in relation to the treaty between the United States and Great Britain, commonly known as the "reciprocity treaty." Feb. 5, 1862. 36 pp. 8°.

U. S., 37th Congress, 2d session. House report No. 22.

Letter of the Secretary of the Treasury, transmitting a tabular statement showing the quantity and value of the different articles of merchandise imported into the United States from the British North American colonies during the fiscal years ending June 30, 1859, 1860, and 1861, under the treaty of reciprocity. June 13, 1862. 3 pp. 8°.

U. S., 37th Congress, 2d session. Senate executive document No. 60.

Commercial intercourse with Canada. Letter from the Secretary of the Treasury in relation to commercial intercourse with Canada. July 12, 1862. 21 pp. 8°.

U. S., 37th Congress, 2d session. House executive document No. 149.

1864. Reciprocity treaty. Letter from the Secretary of the Treasury in relation to the operations of the reciprocity treaty (with Canada). Feb. 1, 1864. 61 pp. 8°.

U. S., 38th Congress, 1st session. House executive document No. 32.

Reciprocity treaty. (To accompany H. res. No. 56.) April 1, 1864. 8 pp. 8°.

U. S., 38th Congress, 1st session. House report No. 39.

1866. Derby, E. H. A preliminary report on the treaty of reciprocity with Great Britain, to regulate the trade between the United States and the provinces of British North America.

Washington: Treasury Department, 1866. 84 pp. 8°.

1867. A report of Israel T. Hatch, of New York, upon our commercial relations with British provinces, and upon the comparative importance of American and Canadian commercial channels of transportation of property from the west to the seaboard. Jan. 30, 1867. 41 pp. 8°.

U. S., 39th Congress, 2d session. House executive document No. 78.

(A report from the Secretary of State, W. H. Seward) relative to the practicability of establishing equal reciprocal relations between the United States and the British North American provinces and the actual condition of the question of the fisheries. Feb. 16, 1867. 186 pp. 8°.

U. S., 39th Congress, 2d session. Senate executive document No. 30.

For latter report see, also, Derby, E. H., in this list.

1868. Trade with the British provinces. Letter from the Secretary of the treasury, transmitting information as to the trade between the United States and the British North American provinces since the abrogation of the reciprocity treaty. March 31, 1868. 18 pp. 8°.
U. S., 40th Congress, 2d session. House executive document No. 240.

Trade with the British provinces. Letter from the secretary of the treasury, transmitting a supplemental report on trade with the British North American provinces. May 15, 1868. 11 pp. 8°.
U. S. Congress, 2d session. House executive document No. 240, part 2.

Letter from the Secretary of State (William H. Seward) to the Hon. John Sherman, Chairman of the Committee on Finance, transmitting correspondence with the State Department in relation to the injurious effect upon the Nova Scotia coal trade, occasioned by the abrogation of the reciprocity treaty. June 3, 1868. 3 pp. 8°.
U. S., 40th Congress, 2d session. Senate miscellaneous document No. 87.

1869. Report of Israel T. Hatch upon the commercial relations of the United States with the Dominion of Canada. Jan. 12, 1869. 26 pp. 8°.
U. S., 40th Congress, 3d session. House executive document No. 36.

Colonial trade and fisheries. Report of E. H. Derby. Feb. 8, 1869. 54 pp. 8°.
U. S., 40th Congress, 3d session. House executive document No. 75.

1876. Commercial relations with Canada. Report from the committee on commerce. Jan. 18, 1876. 9 pp. 8°.
U. S., 44th Congress, 1st session. House report No. 9.

Commercial relations with Canada. Views of the minority. April 11, 1876. 9 pp. 8°.
U. S., 44th Congress, 1st session. House report No. 389, part 2.

1880. Reciprocity treaty between the United States and British provinces. Report from the committee on foreign affairs. Aug. 23, 1880. 5 pp. 8°.
U. S., 46th Congress, 2d session. House report No. 1127, part 1.

Same. Part 2. Views of the minority. June 7, 1880. 20 pp. 8°.

1884. Commercial relations with Canada and other states on the American continent. (Report) from the committee on foreign affairs. July 5, 1884. 3 pp. 8°.
U. S., 48th Congress, 1st session. House report No. 2149.

1888. Report of the committee on foreign affairs, to promote commercial union with Canada. Mar. 16, 1888. 2 pp. 8°.
U. S., 50th Congress, 1st session. House report No. 1183.

1890. Report and resolution from the committee on foreign affairs, regarding a commercial union with Canada.
U. S., 51st Congress, 1st session. House report No. 1820.

Relations with Canada. Testimony taken by the select committee on relations with Canada. July 21, 1890. 1298 pp. 8°.

U. S., 51st Congress, 1st session. Senate report 1559, pts. 1, 2.

Reciprocity with Canada. Resolution from the committee on foreign affairs. May 2, 1890. 1 page. 8°.

U. S., 51st Congress, 1st session. House miscellaneous document No. 195.

1892. Message from the President, relative to negotiations for reciprocal trade with Canada. June 20, July 1, 1892. 47, 11 pp. 8°.

U. S., 52d Congress, 1st session. Senate executive document No. 114, parts 1, 2.

Reciprocal commercial relations with Canada. Report (from) the committee on foreign affairs. July 20, 1892. 8 pp. 8°.

U. S., 52d Congress, 1st session. House report No. 1957.

1894. Statements prepared in the Bureau of Statistics, showing the commercial relations between the United States and the Dominion of Canada since the year 1821. May 31, 1894. 97 pp. 2 folded diagrams. 8°.

U. S., 53d Congress, 2d session. Senate executive document No. 106.

Canada. Parliament. Sessional papers (No. 47), 1869. Return to two addresses of the House of Commons, dated 22d and 29th April, 1869; for copies of all correspondence which has passed since the 1st of May last between the Imperial Government, the cabinet at Washington, and the government of the Dominion of Canada on the subject of the renewal of the reciprocity treaty with the United States, and of all negotiations entered upon in consequence of the abrogation of that treaty; and for copies of all correspondence and despatches between the government of Canada and that of Great Britain, or with the British Ambassador at Washington, or other parties in the United States, since the 1st day of January, 1867, in reference to a renewal of the reciprocity treaty; and for copies of all orders in council on the same subject. May 14, 1869. 18 pp. 8°.

(In Canada. Sessional papers, vol. V. Second session of the first parliament. Session, 1869.)

Canada. Parliament. Sessional papers (No. 55), 1883. Return to an address of the House of Commons, dated 19th of March, 1883; for copies of all correspondence between the government of Canada and the government of the United States (etc.) upon the question of reciprocal trade relations between the two countries, on the general basis of the reciprocity treaty of 1854, since 1878. Mar. 29, 1883. 3 pp. 8°.

(In Canada. Sessional papers, vol. 16, No. 11. Session, 1883.)

Sessional papers (No. 67), 1884. Return to an address of the House of Commons, dated 23d April, 1883; for copies of all correspondence and papers relating to reciprocal trade agreements between the government of Brazil, the different governments of the West India Islands, whether British or foreign, and Mexico, on the one side, and Canada on the other side. Feb. 9, 1884. 13 pp. 8°.

(In Canada. Sessional papers, vol. 17, No. 11. Session, 1884.)

Great Britain. Colonial office. Customs duties (Canada and the West Indies). Copies or extracts of any correspondence which has taken place between the Colonial office and the governors of our North American and West Indian colonies, on the subject of a proposal for the mutual abolition of customs duties upon the production of Canada and the West Indies. Ordered by the House of Commons, to be printed, 29th July, 1856. vi, 66 pp.

(In Great Britain. Parliament. Sessional papers. 1856, vol. 44.)

Foreign office. North American colonies. Copies of acts recently passed by the legislatures of Canada, Nova Scotia, New Brunswick, and Prince Edward Island for giving effect on the part of those provinces to the recent reciprocity treaty with the United States. Presented to both Houses of Parliament, 2d February, 1855. 8 pp. f°.

(In Great Britain. Parliament. Sessional papers, 1855, vol. 36.)

Treaties of commerce, etc. Presented to the House of Lords by command of Her Majesty, in pursuance of their address, dated March 2, 1860. (2) 3 pp. f°.

(In Great Britain. Parliament. Sessional papers, 1860, vol. 68.)

North America, No. 10, 1862. Despatch from Lord Lyons respecting the reciprocity treaty. Presented to both Houses of Parliament, 1862. 25 pp. f°.

(In Great Britain. Parliament. Sessional papers, 1862, vol. 62.)

North America, No. 2 (1865). Papers respecting the termination of the reciprocity treaty of June 5, 1854, between Great Britain and the United States. Presented to both Houses of Parliament, 1865. (2) 2 pp. f°.

(In Great Britain. Parliament. Sessional papers, 1865, vol. 57.)

Great Britain. Foreign Office. Correspondence respecting the termination of the reciprocity treaty of June 5, 1854, between the United States and Great Britain. Presented to both Houses of Parliament, 1866. (2) 17 pp. f°.

(In Great Britain. Parliament. Sessional papers, 1866, vol. 76.)

Return of treaties now in force between Great Britain and foreign states relating to commerce, navigation, reciprocity, etc. Presented to both Houses of Parliament by command of Her Majesty, 1866. (2) 3 pp. f°.

(In Great Britain. Parliament. Sessional papers, 1866, vol. 76.)

United States. Report on the effect on the foreign commerce of the United States, of the agreements concluded under section 3 (reciprocity clause) of the McKinley act of October 1, 1890. 16 pp. 8°.

(In Great Britain. Foreign office. Diplomatic and consular reports, 1893. Miscellaneous series, No. 277.)

Brazil. Report for the years 1889-92, on the trade of Brazil. 32 pp. Folded map. 8°.

(In Great Britain. Foreign office. Diplomatic and consular reports, 1892. Annual series, No. 1136.)

"Customs convention between Brazil and the United States of America." pp. 8-10.

Periodical Literature.

1852. Commercial intercourse with British America.
"North American Review," vol. 74 (Jan., 1852): 168-197.

1854. The reciprocity treaty.
"North American Review," vol. 79 (Oct., 1854): 464-485.

1865. New York. State. Chamber of Commerce. Report of the select committee on the reciprocity treaty, as to trade between the British North American provinces and the United States of America. With appendix.
New York: John W. Amerman, 1865. 72 pp. 8°.
(Miscellaneous pamphlets, 459.)

1874. Reciprocity with Canada. R. E. T.
"Penn. Monthly," vol. 5 (July, 1874): 529-534.

1887. Wiman, Erastus. The advantages of commercial union to Canada and the United States.
(In Canadian leaves, pp. 269-281. New York, 1887. 8°.)
Grant, George. Canada first.
(In Canadian leaves, pp. 247-267. New York, 1887. 8°.)

1887. Butterworth, B. Commercial union between Canada and the United States.
(In Canadian leaves, pp. 175-216. New York, 1887. 8°.)

1888. Bender, Prosper. Canada. Reciprocity, or commercial union.
(In "Magazine of American History," vol. 19, pp. 21-27. New York, 1888. 8°.)

1889. The relations of the United States and Canada. A Canadian view. Charles H. Lugrin.
"Century Magazine," n. s., vol. 16 (June, 1889): 236-244.

1891. "Reciprocity" and Canada. William H. Hurlbert.
"North American Review," vol. 153 (Oct., 1891): 468-480.

1892. Reciprocity with Canada. Erastus Wiman.
"Engineering Magazine," vol. 4 (Oct., 1892): 109-114.

1897. Reciprocity trips to Washington. A page from political history. A. H. U. Colquhoun.
"Canadian Magazine," vol. 8 (Mar., 1897): 423-429.

1898. British and American diplomacy affecting Canada. Thomas Hodgins.
"Canadian Magazine," vol. 10 (Mar., 1898): 379-389.

1899. Commercial relations between Canada and the United States. Robert McConnell.
"Canadian Magazine," vol. 12 (Jan., 1899): 198-201.

1901. Reciprocity with Canada. ("Philadelphia Press," Sept. 2.)
"Protectionist," vol. 13 (Oct., 1901): 340-342.
Canadian reciprocity.
"Protectionist," vol. 13 (Dec., 1901): 449-450.

1902. Reciprocity with Canada. John Charlton.
"Forum," vol. 32 (Jan., 1902): 582-593.

Books.

Chapman, Sydney J. The history of trade between the United Kingdom and the United States, with special reference to the effect of tariffs.
London: Swan Sonnenschein & Co., 1899. vii, (2) 118 pp. Diagrams. Folded charts. 12°.

Foster, John W. A century of American diplomacy; being a brief review of the foreign relations of the United States, 1776-1876.
Boston and New York: Houghton, Mifflin & Company, 1900. xiii, (2) 497 pp. 8°.
Canadian reciprocity treaty of 1854, pp. 337-339.

Gray, John Hamilton. Confederation; or, the political and parliamentary history of Canada, from the conference at Quebec, in October, 1864, to the admission of British Columbia, in July, 1871.
Toronto: Copp, Clark & Co., 1872. 2 vols. 8°.
Renewal of reciprocity treaty, vol. 1, pp. 294-304.

Harvey, Arthur. The reciprocity treaty; its advantages to the United States and to Canada.
Quebec: printed by Hunter, Rose & Co., 1865. 20 pp. 8°.

Haynes, Frederick E. The reciprocity treaty with Canada of 1854.
(Baltimore: Guggenheimer, Weil & Co., 1892) 70, (8) v. pp. 8°. .(American Economic Association. Publications, vol. 7, No. 6.)

[Johnson, Edwin F. (?)] The reciprocity treaty with England. Its character, and our duty in regard to it.
(Washington, 1866.) 17 pp. 8°.
Cover title.

Oliphant, Margaret Oliphant W. Memoir of the life of Laurence Oliphant and of Alice Oliphant, his wife.
New York: Harper & Brothers, 1891. 2 vols. 8°.
Treaty between Canada and United States, vol. 1, pp. 106-132.

Oliphant, Laurence. Episodes in a life of adventure, or moss from a rolling stone.
New York: Harper & Brothers, 1887. 343 pp. 12°.
Reciprocity treaty between United States and Canada, pp. 36-47.

Sumner, Charles. Termination of the Canadian reciprocity treaty. Speeches in the Senate on the joint resolution for the termination of the Canadian reciprocity treaty.
(In his works, vol. 12, pp. 46-59. Boston, 1900. 8°.)

Watkin, Sir Edward W. Canada and the States. Recollections 1851 to 1886.
Ward, Lock & Company: London. New York (1887). xvi, 524 pp. Portrait. Folded map. 12°.
"The reciprocity treaty with the United States." Chap. xviii., pp. 374-430.

HAWAII.

Documents.

1867. Message from the President of the United States (Andrew Johnson) communicating in compliance with a resolution of the Senate * * * a report from the Secretary of the Treasury in relation to a treaty of reciprocity with the Hawaiian Islands. Feb. 4, 1867.

U. S., 39th Congress, 2d session. Senate executive document No. 20. 5 pp.

Report by Mr. Sumner (from) the committee on foreign relations, to whom was referred the convention for commercial reciprocity between the United States and His Majesty the King of the Hawaiian Islands, concluded at the city of San Francisco the 21st of May, 1867. Dec. 17, 1867.

U. S., 40th Congress, 2d session. Senate executive F.

1875. Debate in the House on Bill (H. R. 612) carrying into effect the reciprocity treaty concluded with Hawaii, January 30, 1875.

U. S., 44th Congress, 1st session. Congressional Record. Mar. 6, 1876, pp. 1488-98; Apr. 6, 1876, pp. 2277-80.

Hawaiian treaty. Report from the committee on ways and means. Feb. 24, 1876. 12 pp. 8°.

U. S., 44th Congress, 1st session. House report No. 116.

United States statutes at large, carrying into effect treaty.

U. S., 44th Congress, 1876-77. (H. R. 612) vol. 19, pp. 200, 625, 666-667.

1882-83. House Report No. 1860, 10 pp., 47th Congress, 2d session. Report from the committee on foreign affairs in regard to the treaty with the Hawaiian Islands. Contains the report of the majority recommending the continuance of the treaty with some modifications; the minority stating the results of the hearings before the committee concerning the treaty, and recommend a resolution calling for the investigation of the alleged frauds under the treaty.

1883. Report (from) the committee on finance, to whom was referred the joint resolution (S. Res. 122) providing for the termination of the reciprocity treaty of Jan. 30, 1875, between the United States of America and His Majesty the King of the Hawaiian Islands. Feb. 27, 1883. 8 pp. 8°.

U. S., 47th Congress, 2d session. Senate report No. 1013.

1884. (Report) from the committee on foreign relations (on the termination of the Hawaiian treaty). Jan. 24, 1884. 9 pp. 8°.

U. S., 48th Congress, 1st session. Senate report No. 76.

Views of the minority (of the committee on foreign relations on the termination of the Hawaiian treaty). Jan. 24, 1884. 5 pp 8°.

U. S., 48th Congress, 1st session. Senate report No. 76, part 2.

(Report by) Mr. Miller, of California, from the committee on foreign relations, to whom was referred the report of the Secretary of State communicating the proposal of the King of Hawaii for the extension of the duration of the existing reciprocity treaty with the United States. June 19, 1884.

U. S., 48th Congress, 1st session. Senate executive M.

1885-86. Wharton's Digest, vol. 1, pp. 417-36. Senate Miscellaneous Documents, vol. 9, 49th Congress, 1st session.

1887. Report of the committee on foreign relations on resolution submitted in executive session, Dec. 19, 1887, calling for copies of official correspondence concerning the ratification of the treaty between the United States and the Hawaiian Islands, from which the injunction of secrecy was removed. Feb. 24, 1888. 5 pp. 8°.
U. S., 50th Congress, 1st session. Senate miscellaneous document No 64.

1887. Message from the President of the United States, transmitting a report of the Secretary of State, with accompanying resolutions, relating to the treaty between the United States and the government of the Hawaiian Islands. Contains the supplementary articles to the treaty of 1875, and the correspondence relating thereto.
House Ex. Doc., No. 130, vol. 23, 1886-87, 49th Congress, 2d session.

1890. Debate in the House and Senate on Bill (H. R. 12333), providing that no sections of the McKinley Act of 1890 should be construed as abrogating the treaty with Hawaii.
U. S., 51st Congress, 2d session. Parts 1 to 4. Congressional Record.

1892. Message from the President transmitting correspondence respecting relations between the United States and the Hawaiian Islands from Sept., 1820, to Jan., 1893. 192 pp. 8°.
U. S., 52d Congress, 2d session. Senate executive document No. 77.

1897. Importations of rice, sugar, and molasses from Hawaiian Islands. Table showing the quantities and values of rice, sugar and molasses imported into the United States from the Hawaiian Islands since the reciprocity treaty went into effect. May 28, 1897. 2 pp. 8°.
U. S., 55th Congress, 1st session. Senate document No. 124.

1899. Statistics relative to the Hawaiian sugar industry. Monthly summary of commerce and finance.
Washington: Bureau of Statistics, Nov., 1899, pp. 1374-75.

1900. "Progress of the beet sugar industry in the United States in 1899, with a supplementary report on the cane sugar industry of the Hawaiian Islands."
Washington: Government Printing Office, 1900. 193 pp. House document No. 699, 56th Congress, 1st session.

1901. Monograph on trade with Hawaiian Islands. pp. 72-81. Bureau of Statistics. Monthly summary of commerce and finance. July, 1901.

Periodical Literature.

1875-1901. Hawaiian Almanac and Annual. "Handbook of Valuable and Statistical Information," compiled by Thomas G. Thrum. Honolulu: Black & Auld, Printers.

1891. "The Future of the Sandwich Islands." A favorable discussion of the reciprocity treaty, by Claus Spreckels.
North American Review, Mar. 1891. Vol. 152, pp. 287-292.

1892. "Reciprocity and the Farmer," by Hon. Hilary A. Herbert. A discussion of the Hawaiian treaty of 1876, and the reciprocity treaties negotiated under the McKinley Act of 1890.
North American Review, Apr., 1892. Vol. 154, pp. 414-423.

1893. "The Advantages of Annexation," by Lorrin A. Thurston. North American Review. Vol. 156 (Mar., 1893), pp. 165-81.
"The Hawaiian Revolution," by Theo. H. Davies.
The Nineteenth Century, Vol. 33 (May, 1893), pp. 830-35

1895. Overland Monthly. Hawaiian number. Vol. 25, June, 1895.

1898. Independent. Vol. 50 (Jan. 20, 1898), pp. 78-9. Annexation of Hawaii and the Sugar Trust. J. Jennings, Ibid, pp. 74-75. "Hawaiian Annexation," by Rear-Admiral George E. Belnap, U. S. N.

1898. Review of Reviews. Vol. 17 (Feb., 1898), pp. 142. "Hawaii and the Sugar Question, etc."

UNRATIFIED TREATIES.

Documents.

1844. (Report by Senator Rufus) Choate, from the committee on foreign relations, to whom was recommitted, on the 1st instant, the convention with Prussia and the other states of the Germanic association of customs and commerce. June 14, 1844.
U. S., 28th Congress, 1st session. Senate.
(In Journal of the executive proceedings of the Senate. Vol. 6, pp. 333-36. Washington, 1887. 8°.)

1845. (Report by) Mr. Archer, from the committee on foreign relations, to whom was referred, on the 10th of December last, a message relating to the convention with Prussia, and other states of the Germanic association of customs and commerce, and to whom was referred, on the 23d of December, the said convention. Feb. 26, 1845.
U. S., 28th Congress, 2d session. Senate.
(In Journal of the executive proceedings of the Senate, vol. 6, pp. 406-410. Washington, 1887. 8°.)

1884. Communication from the Secretary of State (F. T. Frelinghuysen), relative to the reciprocity treaty between the United States and Spain. Dec. 15, 1884. 6 pp. 8°.
U. S., 48th Congress, 2d session. Senate executive document No. 10.
Text of Spanish reciprocity treaty.
U. S., 48th Congress, 2d session. Senate executive document No. 10.
Senate executive document No. 75, 47th Congress, 2d session. Message from President Arthur, transmitting treaty of commerce, concluded on Jan. 20, 1883, as amended, between the United States and Mexico, Feb. 6, 1883. 6 pp. 8°.

Periodical Literature.

1846. Commercial treaties based on reciprocity, with reference to the advantages of a commercial treaty between the United States and the German Zollverein.
Hunt's Merchants' Magazine, vol. 14 (Jan., 1846) : 51-56.

Dunbar, Edward E. The Mexican papers. The Mexican question, the great American question, with personal reminiscences. A serial issued semi-monthly.
New York: J. A. H. Hasbrouck & Co., printers, 1860. 83-129 pp. 8°. (First series, no. 3, Sept. 15, 1860.)
Deals with the commercial treaty with Mexico, which the Senate, in 1860, failed to ratify.

1884. Treaties in the House.
Nation, vol. 39 (Dec. 18, 1884) : 516-517.

1885. Morrill, Justin S. The reciprocity treaties. Speech by Senator Morrill, Jan. 7, 1885.
In The American, vol. 9 (Jan. 10, 1885), pp. 219-221.
On the Fourth of March.
Nation, vol. 40 (Jan. 29, 1885) : 89.
Includes a discussion of the reciprocity treaties then pending.

TRADE AND RECIPROCITY WITH SOUTH AMERICA.

Documents.

1884. United States. Department of State. Commercial relations between the United States and Central and South America. Mar. 26, 1884.
(Report by) Mr. Miller, of California, from the committee on foreign relations. Apr. 10, 1884. 2 pp. 8°.
U. S., 48th Congress, 1st session. Senate report No. 432.
Commercial relation with South and Central America. (Report) from the committee on foreign affairs. May 7, 1884. 6 pp. 8°.
U. S., 48th Congress, 1st session. House report No. 1445.

1885. Reports of the South American Commission, to investigate and to ascertain the modes of securing the best international and commercial relations with South and Central America.
House executive document No. 226. 48th Congress, 2d session. 438 pp. Feb. 13, 1885.
House executive document No. 50. 49th Congress, 1st session. 491 pp. Jan. 12, 1886.

1886. Commercial relations between the United States and Mexico and Central and South America and Brazil. (Report) from the committee on foreign affairs. Apr. 15, 1886. 1 p. 8°.
U. S., 49th Congress, 1st session. House report No. 1647.
American customs union. (Report) from the committee on foreign affairs. Apr. 15, 1886. 1 p. 8°.
U. S., 49th Congress, 1st session. House report No. 1645.
American commerce and arbitration. Report (from) the com-

mittee on foreign affairs, to which was referred the bill (H. R. 7267) authorizing the President of the United States to arrange a conference for the purpose of promoting arbitration and encouraging reciprocal commercial relations between the United States of America and the republics of Mexico, Central and South America, and the empire of Brazil. Apr. 15, 1886. 12 pp. 8°.

U. S., 49th Congress, 1st session. House report No. 1648.

1889. Curtis, W. E. Trade and transportation between the United States and Spanish America.

Washington: Government Printing Office, 1889. xiii, 342 pp. 8°.

Reprint of Senate document No. 54 of 51st Congress, 1st session.

1890. International American Conference. Minutes of the International American Conference.

(Washington: Government Printing Office), 1390. (2), 905 pp. 4°.

English and Spanish in parallel columns.

Reports of committees and discussions thereon.

Washington: (Government Printing Office), 1890. 4 vols. 4°.

1893. Bureau of the American Republics. How the Latin-American markets may be reached by the manufacturers of the United States.

Washington: (Government Printing Office, 1893.) ix, (1), 505 pp. Map. 8°.

(Bulletin No. 63.)

Reciprocity and trade.

(Washington: Government Printing Office, 1897.) 29 pp. 8°.

(Bulletin No. 87.)

Messages and papers of the Presidents. House miscellaneous documents.

U. S., 53d Congress, 2d session. Vol. 8, pp. 784-85; 500, 336, 337; 501, 509, 584, 776. Vol. 9, pp. 459, 552.

Attitude of President Cleveland in regard to reciprocity; also tariff reform.

RECIPROCITY UNDER THE McKINLEY ACT.

Documents.

1890. Reciprocity treaties. Resolution from the committee on foreign affairs. Apr. 12, 1890. 1 p. 8°.

U. S., 5st Congress, 1st session. House miscellaneous document No. 193.

Reciprocity treaties. Report (from) the committee on foreign affairs. May 1, 1890. 1 p. 8°.

U. S., 51st Congress, 1st session. House report No. 1827.

Letter of the Secretary of State (J. G. Blaine) relative to proposed reciprocal commercial treaties between the United States and the other American republics. June 19, 1890. 11 pp. 8°.

U. S., 51st Congress, 1st session. Senate executive document No. 158.

"A letter from the Secretary of State, inclosing a report of the

International American Conference, which recommends that reciprocal commercial treaties be entered into between the United States and the several other republics of this hemisphere."

Relation of James G. Blaine to reciprocity provisions of McKinley Law:

1891. Letter of Secretary of State (J. G. Blaine) and papers relative to the commercial arrangement with Brazil. Feb. 27, 1891. 9 pp. 8°.
U. S. Congress, 2d session. Senate executive document No. 66
Consists of proclamation on reciprocity with Brazil, with preceding diplomatic correspondence.

1892. Trade between the United States and the Dominican Republic and Puerto Rico. Letter from the acting Secretary of the Treasury. Jan. 29, 1892. 2 pp. 8°.
U. S., 52d Congress, 1st session. House executive document No. 106.

Trade with reciprocity countries. Letter from the acting Secretary of the Treasury. Jan. 29, 1892. 2 pp. 8°.
U. S., 52d Congress, 1st session. House executive document No. 107.

Report from the Secretary of State (James G. Blaine) in answer to a resolution of the House of Representatives of Jan. 13, 1892. Feb. 9, 1892. 1 p. 8°.
U. S., 52d Congress, 1st session. House executive document No. 123.

Message from the President relative to commercial agreements made with other countries. June 27, 1892. 151 pp. 8°.
U. S., 52d Congress, 1st session. Senate executive document No. 119.

1893. Report of the committee on ways and means relative to the Wilson Bill of 1894. Dec. 19, 1893.
U. S., 53d Congress, 2d session. House report No. 234.

1893-5. Provisions of the Wilson Bill regarding the reciprocity articles of the McKinley Bill.
U. S. statutes at large. 53d Congress, 2d session. vol. 28, pp. 521, 539, 541.

1894. Message from the President, communicating information in relation to the probable action of foreign governments by way of retaliation for the proposed imposition by the United States of a duty on sugar. June 29, 1894. 4 pp. 8°.
U. S., 53d Congress, 2d session. Senate executive document No. 126.

1896. Report of the committee on ways and means concerning reciprocity and commercial treaties. June 6, 1896. 643 pp. 8°.
U. S., 54th Congress, 1st session. House report No. 2263.

1897. Commercial arrangements concluded with foreign countries. Report from the Secretary of State (John Sherman) relative to the commercial arrangements concluded with foreign countries pursuant to Section 3 of the act approved Oct. 1, 1890, providing for

reciprocity of trade between the United States and foreign countries. Apr. 22, 1897. 150 pp. 8°.

U. S., 55th Congress, 1st session. Senate document No. 52. Included in Senate document No. 119, 52d Congress, 1st session.

143 United States Reports. Field vs. Clark. Decision of Supreme Court as to constitutionality of McKinley reciprocity provisions. Chief Justice and Justice Lamar dissenting.

Periodical Literature.

1890. Letter (Blaine) June 4, 1890, submitting report upon "Customs union," adopted by the International American Conference.

(In Appleton's annual cyclopædia, 1890, pp. 203-205. Reprinted from Senate document 158, 51st Congress, 1st session. Explains the plans for reciprocal trade relations with the American republics, with favorable comments.)

Reciprocity with Spanish America.

Public Opinion, vol. 9 (June 28, 1890): 263-266.

Mr. Blaine and reciprocity. The Secretary writes again to Senator Frye. He recalls two treaties for reciprocity which failed to get the approval of Congress because they proposed for free sugar.

(In New York Daily Tribune, July 26, 1890, p. 1, col. 5. Letter dated July 25, 1890.)

Blaine, James G. Blaine on reciprocity. His speech at Waterville. Explains his views as regards American republics to his former constituents. Speeches by Congressmen Mason and Lodge and Governor Burleigh.

(In New York Daily Tribune, Aug. 30, 1890. p. 1, col. 6; p. 2, col. 1.)

Mr. Blaine's plea for reciprocal trade.

American, vol. 20 (Sept. 6, 1890): 416-417.

Blaine, James G. Benefits of reciprocity. Mr. Blaine writes Col. W. W. Clapp, of Boston, and answers some criticisms.

(In New York Daily Tribune, Sept. 17, 1890, p. 1, col. 6.)

1891. Reciprocity—why southward only? Roger Q. Mills.

Forum, vol. 11 (May, 1891): 268-275.

Blaine and Suarez Guanes.

Correspondence (on the treaty of reciprocity with Spain. 1891). (In United States. Bureau of Foreign Commerce. Reports from the consuls of the United States, vol. 36, No. 130, July, 1891, pp. 489-504.)

1892. Reciprocity.

New York: 1892. pp. 17-31. 8°. (Tariff reform, vol. 5, No. 2.)

The reciprocity acts of 1890—are they constitutional? Edward B. Whitney.

American Register and Law Review, vol. 31 (March, 1902): 173-188.

1892. The constitutionality of the reciprocity clause of the McKinley tariff act. C. Stuart Patterson.
American Law Register and Review, vol. 31 (Feb. 1892): 65-75.
The Republican policy of reciprocity. William L. Wilson.
Forum, vol. 14 (Oct., 1892): 255-264.

1893. Reciprocity and South America. M. M. Trumbull
Open Court, vol. 7 (Feb. 2, 1893): 3543-3544.
Ford, Worthington C. Reciprocity under the tariff act of 1890. A paper prepared for the meeting of the International Statistical Institute, at Chicago, Sept., 1893.
Washington: 1893. 40 pp. 8°.

1894. Reciprocity treaties and trade.
Bureau of American Republics. Monthly Bulletin, vol. 1 (March, 1894): 9-21.

Books.

Appleton's Annual Cyclopædia. 1890. New series, vol. 15. Whole series, vol. 30.
New York: D. Appleton & Co., 1891. vi (2), 877 pp. Portraits. Maps. Folded chart. Illustrations. 8°. Reciprocity legislation of 1890, pp. 202-205.

Cudmore, P. Buchanan's conspiracy, the Nicaragua canal, and reciprocity.
New York: P. J. Kenedy, 1892. 127 (1) pp. 12°.

Springer, William M. Tariff reform, the paramount issue. Speeches and writings on the questions involved in the Presidential contest of 1892.
New York: Chas. L. Webster & Co., 1892 (2). 420 pp. Portraits. 8°.

McKinley, William. President McKinley's Buffalo speech, with some thoughts suggested thereby.
(Yonkers, 1901.) 20 pp. 12°.
Cover title. "Reprinted from The Yonkers Statesman."
(Speech at Buffalo, Sept. 5, 1901.)
(In Halstead, Murat. Life and distinguished services of William McKinley. pp. 497-503. (Chicago, 1901.) 8°.
The tariff in the days of Henry Clay and since. An exhaustive review of our tariff legislation from 1812 to 1896.
New York: Henry Clay Publishing Co., 1896. (2), 256 (6) pp. 8°.

Other References.

1900. How to secure trade with the South American countries. J. H. Franz.
Scientific American, vol. 82 (June 23, 1900): 390.

1901. South American trade.
Outlook, vol. 68 (Aug. 17, 1901): 900.

Romero, Matias. Articulo sobre Mexico publicados en los Estados Unidos de America en 1891-1892.

Mexico, 1892. Oficiana impresora de Estampillas. 332 xi pp. 8°.

"Reciprocidad y represalias," pp. 216-217; "Datos estadisticos sobre el comercio de importacion y exportacion entre Mexico y los Estados Unidos," pp. 240-245.

Geographical and statistical notes on Mexico.

G. P. Putnam's Sons, New York and London, 1898. xiv (2) 286 pp. Map. Plans. 8°.

Also printed in his "Mexico and the United States."

Mexico and the United States. A study of subjects affecting their political, commercial and social relations, made with a view to their promotion. Vol. 1.

G. P. Putnam's Sons, New York and London, 1898. xxxv (3) 759 pp. Facsimile. Map. Plans. 8°.

Foreign trade of Mexico, pp. 154-169; Trade between Mexico and the United States, pp. 170-186: 247-248; Reciprocity treaties in the Pan-American Conference of 1889, pp. 658-662.

Reciprocidad comercial entre Mexico y los Estados Unidos.

Mexico: Oficina tip. de la secretaria de fomento, 1890. 350 vi pp. 8°.

PENDING TREATIES AND CURRENT DISCUSSION.

Documents.

Tariff hearings before the committee on ways and means, 1896-97. 2 vols. 8°.

U. S., 54th Congress, 2d session. House document No. 338.

"Free list. Reciprocity and miscellaneous matters," vol. 2 pp. 2003-2105.

Memorial from the coal producers, miners, and carriers, protesting against the increase in the tariff rate on coal, and favoring a reciprocal clause in the tariff bill relating to coal as to the Dominion of Canada. June 25, 1897. 3 pp. 8°.

U. S., 55th Congress, 1st session. Senate document No. 158.

1899. Reciprocity treaty with Jamaica.

Bureau of America Republics. Monthly Bulletin, vol. 7 (July 1899): 53.

The Reciprocity Commission.

The Washington Post, Oct. 15, 1897.

The New York Tribune, Oct. 15, 1897; March 10, April 20, 1901

Reciprocity with the Argentine Republic. Bureau of American Republics. Monthly Bulletin, vol. 7 (Nov., 1899): 866-867.

Documents relating to the reciprocity convention with France Dec. 6, 1899. 165 pp. 8°.

U. S., 56th Congress, 1st session. Senate document No. 225.

Convention between the United States and Buenos Aires. Message from the President, transmitting a convention, signed at Bueno

Aires, July 10, 1899, between the United States and the Argentine Republic. Dec. 6, 1899. 5 pp. 8°.

U. S., 56th Congress, 1st session. Senate document No. 21.

Commercial conventions between the United States and Great Britain for Barbados, Bermuda, British Guiana. Jamaica, and Turks and Caicos islands, signed in June and July, 1899. Dec. 11, 1899. 26 pp. 8°.

U. S., 56th Congress, 1st session. Senate document No. 20.

Convention between the United States and France. Convention signed at Washington, July 24, 1899, between the United States and France. Dec. 6, 1899. 7 pp. 8°.

U. S., 56th Congress, 1st session. Senate document No. 22.

Review of the world's commerce during the year 1900. Issued from the Bureau of Foreign Commerce, Department of State, pp. 29-33.

Washington: Government Printing Office, 1901.

1900. The reciprocity treaties and the Senate. John W. Foster.

Independent, vol. 52 (Dec. 6, 1900): 2897-2899.

1901. Compilation of reports of the committee on foreign relations, United States, 1789-1901, 1st Congress, 1st session, to 56th Congress, 2d session, 1901. 8 vols. Plates. Diagrams. Maps. Plans. 8°.

U. S., 56th Congress, 2d session. Senate document No. 231, parts 1-8.

Reports on reciprocity treaties in vols. 5 and 8.

The President's treaties of reciprocity.

Independent, vol. 53 (Feb. 21, 1901): 509-510.

Senate Document No. 346. 56th Congress, 1st session. Report of Secretary of State on trade relations with France.

1898. Agreement with Switzerland under reciprocity provisions of the Dingley law.

Synopsis of Decisions. Treasury Department. Decision No. 20386, Dec. 5, 1898; Decision No. 22092, March 20, 1900.

France. Supplementary convention, prolonging time for ratifications of commercial convention between the United States and France, signed July 24, 1899. Mar. 9, 1901, 2 pp. State Department. (Confidential: Senate Executive A. 57th Congress, special session. Injunction of secrecy removed Jan. 30, 1902.)

Nicaragua. Commercial convention between United States and Nicaragua, signed Oct. 20, 1899, and supplementary convention [signed June 25, 1900] extending time within which exchange of ratifications shall be effected. Dec. 5, 1900, 5 pp. (Confidential: Senate Executive D. 56th Congress, 2d session. Injunction of secrecy removed Jan. 30, 1902.)

Nicaragua. Commercial convention between the United States and Nicaragua, signed Oct. 20, 1899, and supplementary convention, signed June 25, 1900, extending time within which exchange of ratifications shall be effected. Dec. 5, 1900. State Department,

5 pp. (Confidential: Senate Executive D. 56th Congress, 2d session. Injunction of secrecy removed Jan. 30, 1902.)

Santo Domingo. Commercial convention between the United States and Dominican Republic, signed Washington, June 2 [25], 1900. Dec. 5, 1900. State Department. 6 pp. (Confidential: Senate Executive B. 56th Congress, 2d session. Injunction of secrecy removed Jan. 30, 1902.)

Convention [signed Washington, June 25, 1901] between United States and Dominican Republic, extending period for ratifications of commercial convention, signed June 25, 1900. Dec. 5, 1901. State Department. 2 pp. (Confidential: Senate Executive J. Injunction of secrecy removed Jan. 30, 1902.)

Denmark. Commercial convention with Denmark for Island of St. Croix, signed [Washington] June 5, 1900. Dec. 5, 1900. 3 pp. State Department. (Confidential: Senate Executive E. 56th Congress, 2d session. Injunction of secrecy removed Jan. 30, 1902.)

Convention between United States and Denmark, extending period within which may be exchanged ratifications of commercial convention for Island of St. Croix, signed June 5, 1900. Dec. 5, 1901. 2 pp. State Department. (Confidential: Senate Executive G. Injunction of secrecy removed Feb. 17, 1902.)

Ecuador. Commercial convention with Ecuador, signed [Quito] July 10, 1900. Dec. 5, 1900. 4 pp. State Department. (Confidential: Senate Executive C. 56th Congress, 2d session. Injunction of secrecy removed Jan. 30, 1902.)

Great Britain. Additional and amendatory articles [signed Washington, Mar. 16, 1900] extending period for ratifications of commercial conventions between United States and Great Britain for Bermuda, British Guiana, Jamaica, and Turks and Caicos islands signed [July 1824, 1899]. Mar. 19, 1900. State Department. 4 pp. (Confidential: Senate Executive A, pt. 2. 56th Congress, 1st session. Injunction of secrecy removed Jan. 30, 1902.)

Convention between United States and Great Britain, extending period within which may be exchanged ratifications of commercial convention for Barbadoes, signed June 16, 1899. Dec. 5, 1901. State Department. 2 pp. (Confidential: Senate Executive I. Injunction of secrecy removed Dec. 16, 1901.)

Convention [signed Washington, Mar. 15, 1901] between United States and Great Britain within which may be exchanged ratifications of commercial conventions for British Guiana, Turks and Caicos islands, Jamaica and Bermuda, signed July 18-24, 1899. Dec. 5, 1901. State Department. 3 pp. (Confidential: Senate Executive H. Injunction of secrecy removed Jan. 30, 1902.)

Argentina. Convention between United States and Argentine Republic, extending period within which may be exchanged ratifications of commercial convention signed July 10, 1899. Dec. 5, 1901. 2 pp. State Department. (Confidential: Senate Executive F. Injunction of secrecy removed Jan. 30, 1902.)

Periodical Literature.

1892. Earl Grey on reciprocity. M. M. Trumbull.
Open Court, vol. 6 (Dec. 29, 1892) : 3503-3504.

1898. International isolation of the United States. Richard Olney.
Atlantic Monthly, vol. 81 (May, 1898) : 578-588.
The development of the policy of reciprocity. John Bell Osborne.
Forum, vol. 25 (Aug., 1898) : 683-692.

1899. Ascendency of the United States' export trade and its significance. M. Warren.
Westminster Review, vol. 151 (Jan., 1899) : 28-37.
Pacific Ocean and our future there. W. E. Griffis.
Outlook, vol. 61 (Jan. 14, 1899) : 110-113.
Our relations with the Far East. C. Denby.
Munsey's Magazine, vol. 20 (Jan., 1899) : 515-520.
The commercial future.
1, The new struggle for life among nations. Brooks Adams.
2. The commercial sovereignty of the seas: The coming competition. Benjamin Taylor.
Fortnightly Review, vol. 71 (Feb., 1899) : 274-299.
The United States as a world power. A chapter of national experience. Albert B. Hart.
Harper's Magazine, vol. 98 (Feb., 1899) : 485-494.
Menace to England's commercial supremacy. J. P. Young.
Forum, vol. 27 (Apr., 1899) : 204-216.
America and Germany as export competitors and customers. Louis J. Magee.
Engineering Magazine, vol. 16 (Feb., 1899) : 759-766; (Mar., 1899) : 896-902; vol. 17 (Apr., 1899) : 115-121.
Struggle for commercial empire. C. A. Conant.
Forum, vol. 27 (June, 1899) : 427-440.
England's decadence in the West Indies. Brooks Adams.
Forum, vol. 27 (June, 1899) : 464-478.
Reciprocity treaty with Barbados.
Bureau of American Republics. Monthly Bulletin, vol. 7 (July, 1899) : 51-52.
Trade policy with the colonies. Worthington C. Ford.
Harper's Magazine, vol. 99 (July, 1899) : 293-303.
Reciprocity with France.
Public Opinion, vol. 27 (Aug. 3, 1899) : 131-132.
Is the United States a good neighbor to Canada? Edward Porritt.
New England Magazine, N. S., vol. 20 (Aug., 1899) : 731-736.
Germany and the United States. M. von Brandt.
Living Age, vol. 22 (Aug. 26, 1899) : 587-590.
Translated by Mary J. Safford from the "Deutsche Revue."
The commercial relations of the United States and Germany. James Howard Gore.
Forum, vol. 28 (Dec., 1899) : 493-502.

1900. Our Pacific coast development. J. J. Hill.
Independent, vol. 52 (Jan. 11, 1900): 108-109.
American commercial world in 1899.
Outlook, vol. 64 (Jan. 20, 1900): 143.
Our commercial expansion. Frederic Emory.
Munsey's Magazine, vol. 22 (Jan., 1900): 538-544.
The freedom of commerce.
Outlook, vol. 64 (Jan. 20, 1900): 156-158.
Our Pacific opportunity. John Barrett.
Overland Monthly, N. S., vol. 35 (Feb., 1900): 149-151.
Eastern commerce: what is it worth? Edward Atkinson.
North American Review, vol. 170 (Feb., 1900): 295-304.
The Republican pledge on reciprocity. D. W. D.
Protectionist, vol. 11 (Mar., 1900): 643-646.
The follies of some American export traders.
Engineering Magazine, vol. 19 (June, 1900): 348-353.
Pacific trade.
Harper's Weekly, vol. 44 (June 2, 1900): 516.
Threatened tariff war with Germany.
Public Opinion, vol. 28 (June 7, 1900): 707-708.
Our phenomenal exports.
Scientific American, vol. 82 (June 16, 1900): 370.
Commerce of the United States in the closing fiscal year.
Public Opinion, vol. 28 (June 21, 1900): 796.
Our trade with China.
Independent, vol. 52 (June 28, 1900): 62.
Commercial expansion as a science.
Scientific American, vol. 82 (June 30, 1900): 402.
Foreign trade figures.
Public Opinion, vol. 29 (July 12, 1900): 62.
Reciprocity with Germany.
Outlook, vol. 65 (July 21, 1900): 661.
Foreign commerce.
Outlook, vol. 65 (July 21, 1900): 666.
The commercial ascendency of the United States. Carroll D. Wright.
Century Magazine, vol. 60 (July, 1900): 422-427.
Two new commercial treaties.
Independent, vol. 52 (July 26, 1900): 1817.
Our trade with our island possessions.
Scientific American supplement, vol. 50 (Aug. 11, 1900): 20582-20583.
American trade with South Africa.
Scientific American supplement, vol. 50 (Dec. 8, 1900): 20853-20854.
The work of the reciprocity commission. John Ball Osborne.
Forum, vol. 30 (Dec., 1900): 394-411.
1901. Reciprocity and protection. (From the Washington Post, Iron and Steel Bulletin, etc.)
Protectionist, vol. 12 (Feb., 1901): 472-476.
Protection and reciprocity. Commissioner (John A.) Kasson's

reply to resolutions of Home Market Club and the club committee's rejoinder.
Protectionist, vol. 12 (Mar., 1901): 517-530.
The foreign trade of the United States. Frederic Emory.
Popular Science Monthly, vol. 58 (Apr., 1901): 625-640.
McKinley's new departure.
Nation, vol. 72 (May 9, 1901): 368.
Why we have the balance of trade.
Scientific American supplement, vol. 51 (May 25, 1901): 21244-21245.
Reciprocity and free trade. (From the Boston Commercial Bulletin.)
Protectionist, vol. 13 (June, 1901): 109-111.
Our foreign trade and prosperity. Joseph F. Johnson.
North American Review, vol. 173 (July, 1901): 102-110.
American progress and British commerce. Harold Cox.
North American Review, vol. 173 (July, 1901): 91-101.
Senator Lodge and reciprocity.
Protectionist, vol. 13 (Aug., 1901): 198.
The President on reciprocity.
Protectionist, vol. 13 (Aug., 1901): 204-205.
A business man's view of reciprocity. George A. Draper.
Protectionist, vol. 13 (Aug., 1901): 190-191.
United States' trade with Germany.
Scientific American supplement, vol. 52 (Sept. 21, 1901): 21517.
Echanges entre les colonies francaises et les Etats-Unis en 1900.
Societe des etudes coloniales. Bulletin (Oct. 31, 1901): 308.
The reciprocity question. Some interesting and pertinent views from protection journals.
Protectionist, vol. 13 (Nov., 1901): 397-401.
Wilson, James H. Trade with the tropics. An address before the American Free Trade League, Nov. 9, 1901.
(Boston: American Free Trade League, 1901.) 23 pp. 8°.
Reciprocity or mutuality. H. W. Taylor.
Nation, vol. 73 (Nov. 14, 1901): 376.
Reciprocity.
Outlook, vol. 69 (Nov. 30, 1901): 808-810.
Our industrial foreign policy. George Gunton.
Institute of Social Economics. Lecture Bulletin (Dec. 2, 1901): 131-151.
The question of reciprocity. William P. Wilson.
Independent, vol. 53 (Dec. 5, 1901): 2872-2874.
Commercial reciprocity with Canada. John W. Foster.
Independent, vol. 53 (Dec. 5, 1901): 2874-2877.
The march of protection.
Saturday Review, vol. 92 (Dec. 14, 1901): 732-733.
Reciprocity and foreign trade. E. J. Gibson.
Forum, vol. 32 (Dec., 1901): 466-480.
Expansion through reciprocity. John Ball Osborne.
Atlantic Monthly, vol. 88 (Dec., 1901): 721-731.

The national reciprocity convention. Notable gathering o manufacturers in Washington.
Protectionist, vol. 13 (Dec., 1901): 464-475.
A calm view of reciprocity. George B. Waldron.
Chautauquan, vol. 34 (Dec., 1901): 237-242.
Reciprocity agitation.
Gunton's Magazine, vol. 21 (Dec., 1901): 497.
The vital economic problem. C. L. Lorraine.
Protectionist, vol. 13 (Dec., 1901): 479-484.
The demand for reciprocity. John A. Kasson.
National Magazine, vol. 15 (Dec., 1901): 353.

1902. Les Etats-Unis et la reciprocite commerciale. Achille Vialatte
Journal des économistes, 5e serie, vol. 49 (Jan. 15, 1902): 47-61
The American "commercial invasion of Europe." F. A Vanderlip.
Scribner's Magazine, vol. 31 (Jan., 1902): 3-22; (Feb., 1902): 194-213; (Mar., 1902): 287-306.
The manufacturer's need of reciprocity. A. B. Farquhar.
American Academy of Political and Social Science. Annals vol. 19 (Mar., 1902): 21-39.
Farquhar, Arthur B. The need of reciprocity.
(Boston) American Free Trade League, 1902. 6 pp. 8°.
The approaching abandonment of free trade. J. A. Hobson.
Fortnightly Review, N. S., vol. 71 (Mar., 1902): 434-444.

Books.

Kasson, John A. Reciprocity. The benefits that will accrue to thi country by the confirmation of the treaties now pending in th United States Senate. Delivered before the Illinois Manufacturers Association, at Chicago, Oct. 24, 1901.
(Washington: Government Printing Office), 1901. 46 pp. 8° Cover title reads: "Information respecting reciprocity and th existing treaties."

Seabury. George J. The constructive and reconstructive forces tha are essential to maintain American international commercia supremacy.
(New York: 1902.) 7 pp. 12°.

THEORETICAL AND HISTORICAL.

Documents.

1880. Report of tariff commission, 1882. Recommends substanti tariff reduction.
Washington: Government Printing Office, 1882. 2 vol pp. 2617.
National party platforms of the United States. Compiled b J. M. S. Frederick. Tariff reform movement in platforms 1884 and 1888.
Akron, Ohio, 1896. pp. 59-64.

Jefferson, Thomas. Report on the privileges and restrictions of the commerce of the United States in foreign countries. (Dec. 16, 1793.)

(In his writings (edited by H. A. Washington), vol. 7, pp. 636-651. Washington, 1854. 8°.)

On reciprocity, pp. 646 et seq.

Same.

(In his writings (collected and edited by Paul Leicester Ford), vol. 6, pp. 470-484. New York, 1895. 8°.)

On reciprocity, pp. 479 et seq.

1816. Correspondence between the American and British plenipotentiaries relative to the commercial convention concluded on the 3d of July, 1815. Printed by order of the House of Representatives. Jan. 16, 1816. 50 pp. Folded sheet. 8°.

U. S., 14th Congress, 1st session. House of Representatives, No. 27.

1818. Report of the committee to whom was referred that part of the President's message which relates to the commercial intercourse of the United States with the British West India Islands and North American colonies, and also on the petition of sundry inhabitants of different parts of Maine on the same subject. Feb. 9, 1818. 25 pp. Folded tables. 8°.

U. S., 15th Congress, 1st session. House document No. 87.

Great Britain. Convention of Oct. 20, 1818. Convention signed at London, Oct. 20, 1818, between the United States and Great Britain, together with the documents showing the course and progress of the negotiation. Dec. 29, 1818.

U. S., 15th Congress, 2d session. Senate.

(In Annals of Congress, vol. 34, col. 1445-1594. Washington, 1855. 8°.)

1819. British colonial trade. (Report by) Mr. Macon, from the committee on foreign relations, to whom was referred so much of the documents accompanying the commercial convention with Great Britain as relates to the colonial trade. Feb. 19, 1819.

(U. S., 15th Congress, 2d session. Senate.)

(In Annals of Congress, vol. 33, col. 249-250. Washington, 1855. 8°.)

1823. Message from the President transmitting (pursuant to a resolution of the House of Representatives, of the 22d ult.) the correspondence between the government of the United States and Great Britain relating to the negotiations of the convention of Oct. 20, 1818. Feb. 15, 1823. 152 pp. 8°.

U. S., 17th Congress, 2d session. House executive papers, No. 71.

1871. Foreign commerce and the practical workings of maritime reciprocity. Letter from the Secretary of the Treasury (George S. Boutwell) in relation to the foreign commerce of the United States. Jan. 25, 1871. pp. 64. Folded charts. 8°.

U. S., 41st Congress, 3d session. House executive document No. 76.

Periodicals.

1827. Complaints of the ship owners. Reciprocity system.
Edinburgh Review, vol. 45 (Mar., 1827) : 446-458.

1832. The reciprocity system.
Foreign Quarterly Review, vol. 19 (1832) : 261-289.

1838. The reciprocity and colonial systems.
Blackwood's Edinburgh Magazine, vol. 44 (Sept., 1838) : 317-334.

Webster, Daniel. Sound dues at Elsinore, and the German Zoll-Verein. (Letter to the President, May 24, 1841.)
(In his works, vol. 6, pp. 406-414. Boston, 1866. 8°.)
(Letter to Mr. Everett, Nov. 25, 1842.)
(In Curtis, George Ticknor. Life of Daniel Webster, vol. 2, pp. 173-175. New York, 1870. 8°.)
Commercial treaties, p. 174.

1844. Commercial reciprocity. C. C. Haven.
Hunt's Merchants' Magazine, vol. 10 (Apr., 1844) : 354-359.
Commercial reciprocity and the American system.
Democratic Review, vol. 14 (May, 1844) : 447-464.

1845. Reciprocity treaties and commercial intercourse with British colonies.
Hunt's Merchants' Magazine, vol. 12 (Mar., 1845) : 262-266.

1847. The commercial treaties of the United States, with reference to the progress of commercial freedom.
Hunt's Merchants' Magazine, vol. 17 (Oct., 1847) : 339-357.

1853. Reciprocal treaties of commerce.
De Bow's Review, vol. 14 (June, 1853) : 525-535.
What is fair and equal reciprocity? J. McCord.
De Bow's Review, vol. 15 (Nov., 1853) : 433-447.

1870. Free trade and reciprocity. Bonamy Price
Contemporary Review, vol. 13 (Mar., 1870) : 321-345.

1878. Free trade or reciprocity? C. Halford Thompson.
Fraser's Magazine, vol. 97 (Jan., 1878) : 89-92

1879. Can reciprocity help us? A. J. Wilson.
Macmillan Magazine, vol. 39 (Feb., 1879) : 357-368.
Reciprocity. C. Halford Thompson.
Fraser's Magazine, vol. 99 (Feb., 1879) : 197-210.
Free trade and reciprocity. Arthur Arnold.
Gentleman's Magazine, N. S., vol. 22 (Mar., 1879) : 310-329.
Reciprocity the true free trade. Alfred R. Wallace.
Nineteenth Century, vol. 5 (Apr., 1879) : 638-649.
Commercial depression and reciprocity. Bonamy Price.
Contemporary Review, vol. 35 (May, 1879) : 269-288.
Reciprocity and free trade. Robert Lowe.
Nineteenth Century, vol. 5 (June, 1879) : 992-1002
Free trade, reciprocity, and foreign competition.
Westminster Review, vol. 112 (July, 1879) : 1-46.
A few words in reply to Mr. Lowe. Alfred R. Wallace.
Nineteenth Century, vol. 6 (July, 1879) : 179-181.

1886. The treaty-making power under the Constitution. Simon Greenleaf Croswell.
American Law Review, vol. 20 (July-Aug., 1886): 513-527. Upholds the validity of commercial treaties.

1888. How the tariff affects industry. W. C. P. Breckenridge.
Forum, vol. 6, No. 3 (Nov., 1888): 276-285. Tariff reform movement.

1892. Reciprocity. F. W. Taussig.
Quarterly Journal of Economics, vol. 7 (Oct., 1892): 26-39.

1893. American reciprocity and what it means. Samuel M. Davis.
American Journal of Politics, vol. 2 (Feb., 1893): 113-120.
Reciprocity.
Public Opinion, vol. 15 (Apr. 29, 1893): 97-98; (May 6, 1893): 121.

1899. Colonial expansion and foreign trade. J. Schoenhof.
Popular Science Monthly, vol. 55 (May, 1899): 62-72.

1900. A century of international commerce. O. P. Austin.
North American Review, vol. 171 (Nov., 1900): 664-676.
America in the Pacific. John Barrett.
Forum, vol. 30 (Dec., 1900): 478-491.

1901 An economic alliance against America.
Independent, vol. 53 (Jan. 3, 1901): 52-53.
American commercial invasion of the world. R. S. Baker.
Harper's Weekly, vol. 45 (Feb. 16, 1901): 174-175.
The new industrial revolution. Brooks Adams.
Atlantic Monthly, vol. 87 (Feb., 1901): 157-165.
The nations in competition at the close of the century. Jacob Schoenhof.
Forum, vol. 31 (Mar., 1901): 89-104.
Tariff and the trusts. C. Beardsley.
Quarterly Journal of Economics, vol. 15 (May, 1901): 371-389.
The economic decay of Great Britain. 1. The facts of the case. 2. The causes.
Contemporary Review, vol. 79 (May, 1901): 609-638; (June, 1901): 783-812.
But are we decaying? H. Morgan-Browne.
Contemporary Review, vol. 79 (June, 1901): 813-828.
Answer to "The economic decay of Great Britain."
Economic aspects of reciprocity. John P. Young.
Protectionist, vol. 13 (June, 1901): 80-91.
The theory of the balance of trade. Charles J. Bullock.
North American Review, vol. 173 (July, 1901): 111-133.
Reciprocity or the alternative. Brooks Adams.
Atlantic Monthly, vol. 88 (Aug., 1901): 145-155.
Reciprocity or war.
Nation, vol. 73 (Aug. 15, 1901): 125-126.
Reciprocity. J. De Normandie.
Nation, vol. 73 (Oct. 24, 1901): 320.

Former reciprocity treaties.
Protectionist, vol. 13 (Nov., 1901): 375-378.
McKinley reciprocity. J. R. Dodge.
Protectionist, vol. 13 (Dec., 1901): 439-442.

1902. Le traitement de la nation la plus favorisée. D. Aubry.
La réforme économique, 11e année (Feb. 9, 1902): 204-206.

Books.

Bastable, C. F. The theory of international trade, with some of its applications to economic policy. 2d ed., revised.
London: Macmillan & Co., 1897. xii, 183 pp. 12°.

Bates, William W. American marine. The shipping question in history and politics. 2d ed.
Boston and New York: Houghton, Mifflin & Co., 1897. xiv, 479 pp. Portrait. 8°.
"Declension under reciprocity policy," pp. 125-149.

Blaine, James G. Twenty years of Congress, from Lincoln to Garfield. With a review of the events which led to the political revolution of 1860.
Norwich, Conn.: Henry Bill Publishing Co., 1884-1886. 2 vols. Plates (portraits). 8°.
Reciprocity treaties of 1782, 1818, 1854, vol. 2, pp. 615-637.

Davidson, John. Commercial federation and colonial trade policy.
London: Swan Sonnenschein & Co.; New York: Charles Scribner's Sons, 1900. (6), 155 pp. 12°.
Trade and the flag, pp. 127-155.

Davenport, T. W. The tariff, the trusts, and the farmers.
(Boston: American Free Trade League, 1901.) 7 pp. 8°.

Farquhar, Arthur B., and Henry Farquhar. Economic and industrial delusions. A discussion of the case for protection.
G. P. Putnam's Sons, New York, 1891. xiii (1), 424 pp. Charts. 12°.
Reciprocity, pp. 131-135, 290-294, 332.

Fawcett, Henry. Free trade and protection. An inquiry into the causes which have retarded the general adoption of free trade since its introduction into England.
London: Macmillan & Co., 1878. xvi, 173 pp. 8°.
"Free trade and reciprocity," pp. 48-73.
"Commercial treaties," pp. 154-173.

Furber, H. W., ed. Both protection and free trade. Articles from the most eminent political economists and statesmen.
Boston: Boston Publishing Co., 1888. 528 pp. 8°.

Hadley, Arthur T. Reciprocity.
(In Lalor's Cyclopedia of Political Science, vol. 3, pp. 537-539.)

Herod, Joseph Rogers. Favored nation treatment. An analysis of the most favored nation clause, with commentaries on its uses in treaties of commerce and navigation.
The Banks Law Publishing Co., New York, 1901. v (1), 134 pp. 8°.

Hewes, Fletcher W., and William McKinley, Jr. What are the facts? Protection and reciprocity illustrated. Questions of to-day answered in one hundred graphic studies, embracing a century of American politics, industries and finance.
New York: Henry F. Clark. (1892.) 126 pp. Charts. L. 8°.

Lyman, Theodore, Jr. The diplomacy of the United States. Being an account of the foreign relations of the country from the first treaty with France, in 1778, to the present time. 2d ed., with additions.
Boston: Wells and Lilly, 1828. 2 vols. 8°.
Commercial convention of 1815 with Great Britain, vol. 2, pp. 59-75.
Commercial convention of 1818 with Great Britain, vol. 2, pp. 76-118.
Convention of navigation and commerce of 1822 with France, vol. 2, pp. 170-190.
Colonial trade with Great Britain, vol. 2, pp. 310-334.

Medley, George W. The reciprocity craze. A tract for the times.
Cassell, Petter, Galpin & Co., London, 1881. 36 pp. 12°.

Patten, Simon N. The economic basis of protection.
Philadelphia: J. B. Lippincott Company, 1890. 144 pp. 12°.

Rabbeno, Urgo. The American commercial policy: three historical essays. 2d ed. partly rewritten and entirely revised by the author. Tr. at the Translations Bureau, London, W. C.
London and New York: Macmillan & Co., 1895. xxiv, 414 pp. 8°.

Rice, David Hall. Protective philosophy. A discussion of the principles of the American protective system as embodied in the McKinley bill.
Boston: Published by George B. Reed, 1890. viii, 237, xvi pp. Illustrations. 8°.
"Concerning reciprocity by treaty," pp. 193-200.

Rogers, James E. Thorold. The economic interpretation of history. (Lectures delivered in Worcester College Hall, Oxford, 1887-88.
New York: G. P. Putnam's Sons, 1889. xvii (1), 547 pp. 8°.

Schuyler, Eugene. American diplomacy and the furtherance of commerce.
New York: Charles Scribner's Sons, 1886. xiv, 469 pp. 8°.

Snow, Freeman. Treaties and topics in American diplomacy.
Boston: The Boston Book Co., 1894. vii (1), 515 pp. 8°.
Reciprocity treaties with England, 1854, p. 90; 1871, p. 95; with Hawaiian Islands, 1875, pp. 165, 169.

Thompson, R. W. The history of protective tariff laws.
Chicago: R. S. Peale & Co., 1888. 526 pp. Portrait. 8°.

Trumbull, M. M. The free trade struggle in England. 2d ed., revised and enlarged.
Chicago: The Open Court Publishing Co., 1892. (8), 288 pp. 12°.
"Reciprocity," pp. 150-165.

Wilson, Alexander Johnstone. Reciprocity, bimetallism, and land-tenure reform.
London: Macmillan & Co., 1880. viii, 256 pp. 8°.
Contents: Pages 1-50, Can reciprocity help us?—the general answer to the question; pp. 51-77, The futility of the reciprocitarian proposals.

Wise, Bernard R. Industrial freedom: a study in politics.
Cassell & Co., London, 1892. xxxi (1), 372 pp. 12°.

Woolsey, T. S. America's foreign policy. Essays and addresses.
New York: The Century Co., 1898. x (4), 294 pp. 12°.
Pages 195-200 contain article on "The fishery question," in which are discussed the effects of reciprocity treaties upon fisheries.

CUBA.

Documents.

1901. Commercial reciprocity between the United States and Cuba. Petition addressed to the Senate by Señor Don F. Gamba and others urging the enactment of a law for commercial reciprocity between the United States and Cuba. Dec. 16, 1901. 2 pp. 8°.
U. S., 57th Congress, 1st session. Senate document No. 73.

The Platt amendment to the army appropriation bill, defining the relations of the United States and Cuba. Debates in Congress.
Congressional Record A. 56th Congress, 2d session. vol. 34, pp. 2954 and 3146.

Trade with Cuba, 1890-1900.
Summary commerce and finance. Washington, Bureau of Statistics. July, 1901. pp. 236-38.

Monthly summary of commerce of Cuba, June 1901. No. 12, series 1900-01. pp. 955-1056. 4°.

Report of Mr. Payne from the committee on ways and means, amending H. R. 12765 for reciprocal trade relations with Cuba. Mar. 31, 1902. 11 pp. p. 1, House Report No. 1276, Pt. 1. 57th Congress, 1st session.

Report of G. B. McClellan from committee on ways and means on H. R. 12765 for reciprocal trade relations with Cuba. Apr. 3, 1902. 8 pp. House Report No. 1276. 57th Congress, 1st session. Part 2.

Report of F. G. Newlands from committee on ways and means, giving views on H. R. 12765 for reciprocal trade relations with Cuba. Apr. 4, 1902. 11 pp. Do. Part 3.

S. M. Robertson. Adverse views. Apr. 5, 1902. 4 pp. Part 4.

Report from S. B. Cooper, committee on ways and means, giving views adverse to reciprocal trade relations with Cuba. Apr. 5, 1902. 3 pp. House Report No. 1276. 57th Congress, 1st session. Part 5.

Cuban Sugar Sales. Investigation before the sub-committee of the Senate Committee on Relations with Cuba. May, 1902. Committee print.

Hearings Before House Ways and Means Committee Concerning Reciprocity with Cuba. 1902.

The Ethics of Reciprocity with Cuba. Senate Docs. 57th Congress, 2d session.

Periodicals..

1901. Trade of Cuba. J. D. Whelpley.
Harper's Weekly, vol. 45 (May 25, 1901): 541.
Cuba demands reciprocity. Emilio Nuñez.
Independent, vol. 53 (Oct. 31, 1901): 2579-2581.
Has European war against American manufactures begun? O. P. Austin.
North American Review, vol. 173 (Nov., 1901): 684-693.
The need for reciprocity with Cuba. Leonard Wood.
Independent, vol. 53 (Dec. 12, 1901): 2927-2929.
The Forum, vol. 31 (June, 1900): 401-412.
The Work of the Cuban convention. Albert G. Robinson.

1902. Our honor and Cuba's need. Marrion Wilcox.
Forum, vol. 32 (Jan., 1902): 623-628.
The reciprocity of to-day. Arthur H. U. Colquhoun.
Canadian Magazine, vol. 18 (Jan., 1902): 226-228.
Reasons for reciprocity between the United States and Cuba. Leonard Wood.
Outlook, vol. 70 (Jan. 18, 1902): 168-171.

Books.

Robinson, Albert G. Facts and figures on the Cuban situation. Prepared at the request of the Cuban Planters' Association by Albert G. Robinson, Washington, Jan., 1902.
(Washington: Press of Byron S. Adams, 1902.) 27 pp. 12°. Cover-title.

AMERICAN INVASION OF EUROPE.

Periodical Literature.

1877. Tariff reform movement.
The Nation, vol. 25 (Nov. 15, 1877): 297.

1893. "America's Battle for Commercial Supremacy." Thesis: Revision and reduction of the tariff necessary condition to the extension of commerce. John R. Proctor.
Forum, vol. 16, No. 3 (Nov., 1893).

1899. The imperialism of British trade. 1. The rise and decline of British industrial supremacy; 2. The new departure; 3. The burning question and the answer. Ritortus.
Contemporary Review, vol. 76 (July, 1899): 132-153; (Aug., 1899): 282-304.
The decline of British commerce. A. Maurice Low.
North American Review, vol. 169 (Oct., 1899): 545-557.

1900. Year's international trade.
Independent, vol. 52 (Jan. 25, 1900) : 277-278.
American engineering competition. 1. Introduction; 2. Imports and exports; 3. The heavy iron and steel trade; 4. Steel works; 5. Ore supplies and transports; 6 and 7, Manufacture of steel, I, II; 8. Structural steel work; 9. Locomotives; 10. Stationary engines; 11 and 12. Machine tools; 13. Malleable castings, agricultural implements and machine-made files; 14. Transit and communication. Scientific American supplement, vol. 50 (July 21, 1900) : 20541; (July 28, 1900) : 20557-58; (Aug. 4, 1900) : 20564; (Aug. 11, 1900) : 20581; (Aug. 18, 1900) : 20593; (Aug. 25, 1900) : 20609-10; (Sept. 1, 1900) : 20633-34; (Sept. 8, 1900) : 20640-41; (Sept. 15, 1900) : 20656-57; (Sept. 22, 1900) : 20672-73; (Sept. 29, 1900) : 20696-97; (Oct. 6, 1900) : 20704-5; (Oct. 13, 1900) : 20733; (Oct. 20, 1900) : 20749-50.
Exports of provisions from the United States.
Scientific American supplement, vol. 50 (July 28, 1900) : 20547.
American interests in Africa. Day Allen Willey.
Arena, vol. 24 (Sept., 1900) : 293-298.
"The decline of British commerce," a reply. Benjamin Taylor.
North American Review, vol. 171 (Oct., 1900) : 577-593.
Lord Rosebery on the dangers to British trade. Henry Birchenough.
Nineteenth Century, vol. 48 (Dec., 1900) : 1064-1070.

1901. Reciprocity and the British North American fisheries. D. W. Prowse.
Nation, vol. 72 (Jan. 10, 1901) : 29-30.
The Russian tariff imbroglio.
Nation, vol. 72 (Feb. 21, 1901) : 148.
Anglo-American industrial ascendancy. C. L. Redfield.
Engineering Magazine, vol. 20 (Feb., 1901) : 847-852.
Business situation in the United States, and the prospects for the future. Charles R. Flint.
North American Review, vol. 172 (Mar., 1901) : 381-393.
General survey of foreign trade.
Scientific American supplement, vol. 51 (Apr. 27, 1901) : 21172.
An American view of the British industrial situation. John P. Young.
Forum, vol. 31 (June, 1901) : 272-287.
Industrial changes. Edwin A. Start.
Chautauquan, vol. 33 (June, 1901) : 251-257.
The American invasion. Kenric B. Murray.
New Liberal Review, vol. 1 (July, 1901) : 731-740.
Commercial rivalry with America. Benjamin Taylor.
Fortnightly Review, vol. 76 (July, 1901) : 61-75.
American trade in southern China. R. M. McWade.
Scientific American supplement, vol. 52 (Sept. 7, 1901) : 21485.
The commercial position of the British Empire. Benjamin Taylor.
Forum, vol. 32 (Sept., 1901) : 3-14.

European feeling toward the United States. David Kinley.
Forum, vol. 32 (Oct., 1901) : 217-225.
The German tariff debates.
Spectator, vol. 87 (Dec. 7, 1901) : 889-890.
Charges imposed upon certain American products by London dock companies. Dec. 16, 1901. 11 pp. 8°.
U. S., 57th Congress, 1st session. Senate document No. 78.

1902. The Americanization of England. Earl Mayo.
Forum, vol. 32 (Jan., 1902) : 566-572.
The Rake's progress in tariff legislation. J. Schoenhof.
Forum, vol. 32 (Jan., 1902) : 608-622.
The new Pacific empire: The significant beginnings of a great Oriental trade. The quickest route from the Orient to England is now via San Francisco. A forecast of a commerce that is yet hardly dreamed of. The broadening effects on our own people. George Hamlin Fitch.
World's Work, vol. 3 (Jan., 1902) : 1591-1597.
L'invasion commerciale de l'Europe par l'Amerique. V. Didier.
La Reforme Economique, 11e annee (Feb. 2, 1902) : 164-166.
The commercial expansion of the United States. Charles A. Gardiner.
Anglo-American Magazine, vol. 7 (Feb., 1902) : 93-107.
The earlier commercial policy of the United States. Thomas Walker Page.
Journal of Political Economy, vol. 10 (Mar., 1902) : 161-192.
The United States of Imperial Britain. Ogniben.
Contemporary Review, vol. 81 (Mar., 1902) : 305-326.
Free trade or protection for England? A plea for reconsideration. John Beattie Crozier.
Fortnightly Review, n. s., vol. 71 (Mar., 1902) : 427-433.
American investments in England. Walter F. Ford.
Contemporary Review, vol. 81 (Mar., 1902) : 401-408.

Books.

Adams, Brooks. America's economic supremacy.
New York: The Macmillan Company, 1900. ix, 222 pp. 8°.
Hesseltine, Norman F. The sham of Republican reciprocity.
(Boston: American Free Trade League, 1901.) (8), 11 pp. 8°.
(In pamphlet with Davenport, T. W. The tariff, the trusts, and the farmers.)

APPENDIX II

RECIPROCITY TREATIES AND AGREEMENTS

Countries with which Reciprocity treaties and agreements have been made.	Signed—	Took effect—	Terminated—
British North American Possessions (treaty).	June 5, 1854...	March 16, 1855.....	Mar. 17, 1866.
Hawaiian Islands (treaty)	Jan. 30, 1875..	Sept. 9, 1876.....	April 30, 1900.
Brazil (agreement).....	Jan. 31, 1891..	April 1, 1891.....	
Santo Domingo (agreement)	June 4, 1891...	Sept. 1, 1891.....	
Great Britain:			
Barbados (agreement)	Feb. 1, 1892...	Feb. 1, 1892.....	
Jamaica (agreement)..	....do.....	....do.....	
Leeward Islands (agreement).	....do.....	....do.....	
Trinidad (including Tobago) (agreement)..	....do.....	....do.....	
Windward Islands (excepting Grenada) (agreement)	....do.....	....do.....	Aug. 27, 1891.
British Guiana (agreement).	....do.....	April 1, 1892.....	
Salvador (agreement)...	Dec. 30, 1891..	Feb. 1, 1892 (provisional)	
Nicaragua (agreement)..	March 11, 1892	March 12, 1892.....	
Honduras (agreement)...	April 29, 1892.	May 25, 1892 (provisional)	
Guatemala (agreement)..	Dec. 30, 1891..	May 30, 1892.....	
Spain, for Cuba and Porto Rico (agreement).	June 16, 1891..	Sept. 1, 1891 (provisional)	
Austria-Hungary (agreement).	May 25, 1892..	May 26, 1892.....	
France (agreement).....	May 28, 1898..	June 1, 1898.....	Still in force.
Germany (agreement)...	{ Jan. 30, 1892 { July 10, 1900.	Feb. 1, 1892..... July 13, 1900.....	Aug. 24, 1894. Still in force.
Portugal and Azores and Madeira Islands (agreement)	May 22, 1900..	June 12, 1900.....	Do.
Italy (agreement).....	Feb. 8, 1900...	July 18, 1900.....	Do.
Switzerland (treaty of 1850).		June 1, 1898[1].....	Mar. 23, 1900.

[1] Under "most-favored nation" clause of the treaty of 1850, proclaimed November 9, 1855.

RECIPROCITY TREATIES AND AGREEMENTS.

A. EXPIRED OR ABROGATED.

I.

RECIPROCITY WITH CANADA, 1855-1866.

[Concluded June 5, 1854; ratifications exchanged at Washington September 9, 1854; proclaimed September 11, 1854; took effect March 16, 1855; terminated March 17, 1866.]

ARTICLE III. It is agreed that the articles enumerated in the schedule hereunto annexed, being the growth and produce of the aforesaid British colonies or of the United States, shall be admitted into each country, respectively, free of duty:

SCHEDULE.

Grain, flour, and breadstuffs of all kinds; animals of all kinds; fresh, smoked, and salted meats; cotton wool, seeds, and vegetables; undried fruits, dried fruits; fish of all kinds; products of fish, and of all other creatures living in the water; poultry, eggs; hides, furs, skins, or tails, undressed; stone or marble in its crude or unwrought state; slate; butter, cheese, tallow; lard, horns, manures; ores of metals of all kinds; coal; pitch, tar, turpentine, ashes; timber and lumber of all kinds, round, hewed, and sawed, unmanufactured in whole or in part; firewood; plants, shrubs, and trees; pelts, wool; fish oil; rice, broom corn, and bark; gypsum, ground or unground; hewn or wrought or unwrought buhr or grind stones; dyestuffs; flax, hemp, and tow, unmanufactured; unmanufactured tobacco; rags.

BRITISH NORTH AMERICA.

[Treaty period, March 16, 1855, to March 17, 1866.]

Years ending June 30—	Imports into U. S. from—	Exports from U. S. to—	Years ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*		*Dollars.*	*Dollars.*
1850	1,320,399	3,585,170	1861	22,724,489	22,676,513
1851	5,279,718	11,787,092	1862	18,511,025	20,573,070
1852	5,469,445	10,229,608	1863	17,484,786	27,619,814
1853	6,527,559	12,423,121	1864	20,608,736	26,574,624
1854	8,784,412	24,157,612	1865	33,153,672	27,529,939
1855	15,118,289	27,741,808	1866	48,133,599	23,439,115
1856	21,276,614	29,025,349	1867	24,753,220	20,163,653
1857	22,108,916	24,138,482	1868	25,952,812	22,901,964
1858	15,784,836	23,604,526	1869	28,433,528	20,437,801
1859	19,287,565	28,109,494	1870	35,354,247	21,832,226
1860	23,572,796	22,695,928			

II.

RECIPROCITY WITH HAWAII, 1876-1900.

[Took effect September 9, 1876; terminated April 30, 1900.]

ARTICLE I. For and in consideration of the rights and privileges granted by His Majesty the King of the Hawaiian Islands in the next succeeding article of this convention, and as an equivalent therefor, the United States of America hereby agree to admit all the articles named in the following schedule, the same being the growth and manufacture or produce of the Hawaiian Islands, into all the ports of the United States free of duty.

SCHEDULE.

Arrowroot; castor oil; bananas; nuts, vegetables, dried and undried, preserved and unpreserved; hides and skins, undressed; rice; pulu; seeds, plants, shrubs, or trees; muscovado, brown, and all other unrefined sugar, meaning hereby the grades of sugar heretofore commonly imported from the Hawaiian Islands and now known in the markets of San Francisco and Portland as "Sandwich Island sugar;" sirups of sugar cane, melado, and molasses; tallow.

ARTICLE II. For and in consideration of the rights and privileges granted by the United States of America in the preceding article of this convention, and as an equivalent therefor, His Majesty the King of the Hawaiian Islands hereby agrees to admit all the articles named in the following schedule, the same being the growth, manufacture, or produce of the United States of America, into all the ports of the Hawaiian Islands free of duty.

SCHEDULE.

Agricultural implements; animals; beef, bacon, pork, ham, and all fresh, smoked, or preserved meats; boots and shoes; grain, flour, meal and bran, bread, and breadstuffs of all kinds; bricks, lime, and cement; butter, cheese, lard, tallow, bullion, coal, cordage; naval stores, including tar, pitch, resin, turpentine, raw and rectified; copper and composition sheathing; nails and bolts; cotton and manufactures of cotton, bleached and unbleached, and whether or not colored, stained, painted, or printed; eggs; fish and oysters and all other creatures living in the water, and the products thereof; fruits, nuts, and vegetables, green, dried or undried, preserved or unpreserved; hardware; hides, furs, skins, and pelts, dressed or undressed; hoop iron and rivets, nails, spikes and bolts, tacks, brads or sprigs; ice; iron and steel, and manufactures thereof; leather; lumber and timber of all kinds, round, hewed, sawed, and unmanufactured in whole or in part; doors, sashes, and blinds; machinery of all kinds, engines and parts thereof; oats and hay; paper, stationery and books and all manufactures of paper or of paper and wood; petroleum and all oils for lubricating or illuminating purposes; plants, shrubs, trees, and seeds; rice; sugar, refined or unrefined; salt; soap; shooks, staves, and headings; wool, and manufactures of wool, other than ready-made clothing; wagons and carts for the purposes of agriculture or of drayage; wood, and manufactures of wood or of wood and metal except furniture, either upholstered or carved, and carriages; textile manufactures, made of a combination of wool, cotton, silk, or linen, or of any two or more of them other than when ready-made clothing; harness and all manufactures of leather; starch; and tobacco, whether in leaf or manufactured.

ARTICLE III. The evidence that articles proposed to be admitted into the ports of the United States of America or the ports of the Hawaiian Islands free of duty under the first and second articles of this convention are the growth, manufacture, or produce of the United States of America or of the Hawaiian Islands, respectively, shall be established under such rules and regulations and conditions for the protection of the revenue as the two Governments may from time to time respectively prescribe.

ARTICLE IV. No export duty or charges shall be imposed in the Hawaiian Islands or in the United States upon any of the articles proposed to be admitted into the ports of the United States or the ports of the Hawaiian Islands free of duty under the first and second articles of this convention. It is agreed on the part of His Hawaiian Majesty that so long as this treaty shall remain in force he will not lease or otherwise dispose of or create any lien upon any port, harbor, or other territory in his dominions, or grant any special privilege or rights of use therein, to any other power, state, or government, nor make any treaty by which any other nation shall obtain the same privileges relative to the admission of any articles free of duty hereby secured to the United States.

HAWAIIAN ISLANDS.

[Treaty period, September 9, 1876-April 30, 1900.]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—	Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*		*Dollars.*	*Dollars.*
1870	1,134,723	808,416	1886	9,805,707	3,192,698
1871	1,143,244	858,615	1887	9,922,075	3,622,029
1872	1,280,833	633,764	1888	11,060,379	3,085,203
1873	1,275,061	672,191	1889	12,817,740	3,375,661
1874	1,016,952	614,628	1890	12,313,908	4,711,417
1875	1,373,681	662,164	1891	13,895,597	5,107,212
1876	1,227,191	779,257	1892	8,075,882	3,781,628
1877	2,550,335	1,272,949	1893	9,146,767	2,827,663
1878	2,678,830	1,736,099	1894	10,065,317	3,306,187
1879	3,257,938	2,374,918	1895	7,888,961	3,723,057
1880	4,606,444	2,086,170	1896	11,757,704	3,985,707
1881	5,533,000	2,778,072	1897	13,687,799	4,690,075
1882	7,646,294	3,350,775	1898	17,187,380	5,907,155
1883	8,238,461	3,776,065	1899	17,831,463	9,305,470
1884	7,925,965	3,523,353	1900	20,707,903	13,509,148
1885	8,857,497	2,787,922			

III.

RECIPROCITY WITH BRAZIL; SIGNED FEBRUARY 5, 1891.

By the President of the United States of America.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the Secretary of State of the United States of America communicated to the Government of the United States of Brazil the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3, to wit, sugars, molasses, coffee, and hides, to be exempt from duty upon their importation into the United States of America;

And whereas the envoy extraordinary and minister plenipotentiary of Brazil at Washington has communicated to the Secretary of State the fact that, in due reciprocity for and consideration of the admission into the United States of America free of all duty of the articles enumerated in section 3 of said act, the Government of Brazil has, by legal enactment, authorized the admission, from and after April 1, 1891, into all the established posts of entry of Brazil, free of all duty, whether national, State, or municipal, of the articles or merchandise named in the following schedule, provided that the same be the product and manufacture of the United States of America:

1.—Schedule of Articles to be Admitted Free into Brazil.

Wheat; wheat flour; corn or maize, and the manufactures thereof, including corn meal and starch; rye, rye flour, buckwheat, buckwheat flour, and barley; potatoes, beans, and pease; hay and oats; pork, salted, including pickled pork and bacon, except hams; fish, salted, dried or pickled; cotton-seed oil; coal, anthracite and bituminous; rosin, tar, pitch, and turpentine; agricultural tools, implements, and machinery; mining and mechanical tools, implements, and machinery, including stationary and portable engines, and all machinery for manufacturing and industrial purposes, except sewing machines; instruments and books for the arts and sciences; railway construction material and equipment.

And that the Government of Brazil has, by legal enactment, further authorized the admission into all the established ports of entry of Brazil, with a reduction of twenty-five per centum of the duty designated on the respective article in the tariff now in force or which may hereafter be adopted in the United States of Brazil, whether national, State, or municipal, of the articles or merchandise named in the following schedule, provided that the same be the product or manufacture of the United States of America:

2.—Schedule of Articles to be Admitted into Brazil with a Reduction of Duty of Twenty-five per Centum.

Lard and substitutes therefor; bacon hams; butter and cheese; canned and preserved meats, fish, fruits, and vegetables; manufactures of cotton, including cotton clothing; manufactures of iron and steel, single or mixed, not included in the foregoing free schedule; leather and the manufactures thereof, except boots and shoes; lumber, timber, and the manufactures of wood, including cooperage, furniture of all kinds, wagons, carts, and carriages; manufactures of rubber.

And that the Government of Brazil has further provided that the laws and regulations adopted to protect its revenue and prevent fraud in the declarations and proof that the articles named in the foregoing schedules are the product or manufacture of the United States of America, shall place no undue restrictions on the importer, nor impose any additional charges or fees therefor on the articles imported.

And whereas the Secretary of State has, by my direction, given assurance to the envoy extraordinary and minister plenipotentiary of Brazil at Washington that this action of the Government of Brazil in granting exemption of duties to the products and manufactures of the United States of America, is accepted as a due reciprocity for the action of Congress, as set forth in section 3 of said act:

Now, therefore, be itknown that I, Benjamin Harrison, President of the United States of America, have caused the above stated modifications of the tariff law of Brazil to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this fifth day of February, one thousand eight hundred and ninety-one, and of the Independence of the United States of America the one hundred and fifteenth.

[SEAL.] BENJ. HARRISON.

By the President:

JAMES G. BLAINE,
Secretary of State.

BRAZIL.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S to—
	Dollars.	*Dollars.*
1888	53,710,234	7,137,008
1889	60,403,804	9,351,081
1890	59,318,756	11,972,214
1891	83,230,595	14,120,246
1892	118,633,604	14,291,873
1893	76,222,138	12,388,124
1894	79,360,159	13,866,006
1895	78,831,476	15,165,079
1896	71,060,046	14,258,187
1897	69,039,389	12,441,065
1898	61,750,369	13,317,036

[1] Treaty period April 1, 1891-August 27, 1894.

IV.

RECIPROCITY WITH SPAIN; SIGNED JULY 31, 1891.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the Secretary of State of the United States of America communicated to the Government of Spain the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3, to wit, sugars, molasses, coffee, and hides, to be exempt from duty upon their importation into the United States of America;

And whereas the envoy extraordinary and minister plenipotentiary of Spain at Washington has communicated to the Secretary of State the fact that, in reciprocity and compensation for the admission into the United States of America free of all duty of the articles enumerated in section 3 of said act, the Government of Spain will, by due legal enactment, and as a provisional measure, admit, from and after September 1, 1891, into all the established ports of entry of the Spanish islands of Cuba and Porto Rico, the articles or merchandise named in the following transitory schedule, on the terms stated therein, provided that the same be the product or manufacture of the United States and proceed directly from the ports of said States:

TRANSITORY SCHEDULE.

Products or manufactures of the United States to be admitted into Cuba and Porto Rico free of duties:

Meats, in brine, salted or smoked, bacon, hams, and meats preserved in cans, in lard or by extraction of air, jerked beef excepted; lard; tallow and other animal greases, melted or crude, unmanufactured; fish and shellfish, live, fresh, dried, in brine, smoked, pickled; oysters and salmon in cans; oats, barley, rye, and buckwheat, and flour of these cereals; starch, maizena, and other alimentary products of corn, except corn meal; cotton seed, oil and meal cake of said seed for cattle; hay, straw for forage, and bran; fruits, fresh, dried, and preserved, except raisins;

vegetables and garden products, fresh and dried; resin of pine, tar, pitch, and turpentine; woods of all kinds, in trunks or logs, joists, rafters, planks, beams, boards, round or cylindric masts, although cut, planed, and tongued and grooved, including flooring; woods for cooperage, including staves, headings, and wooden hoops; wooden boxes, mounted or unmounted, except of cedar; woods, ordinary, manufactured into doors, frames, windows, and shutters, without paint or varnish, and wooden houses, unmounted, without paint or varnish; wagons and carts for ordinary roads and agriculture; sewing machines; petroleum, raw or unrefined, according to the classification fixed in the existing orders for the importation of this article in said islands; coal, mineral; ice.

Products or manufactures of the United States to be admitted into Cuba and Porto Rico on payment of the duties stated:

Corn or maize, 25 cents per 100 kilograms; corn meal, 25 cents per 100 kilograms; wheat, from January 1, 1892, 30 cents per 100 kilograms; wheat flour, from January 1, 1892, $1 per 100 kilograms.

Products or manufactures of the United States to be admitted into Cuba and Porto Rico at a reduction of duty of 25 per centum:

Butter and cheese; petroleum, refined; boots and shoes in whole or in part of leather or skins.

And whereas the envoy extraordinary and minister plenipotentiary of Spain in Washington has further communicated to the Secretary of State that the Government of Spain will, in like manner and as a definitive arrangement, admit, from and after July 1, 1892, into all the established ports of entry of the Spanish islands of Cuba and Porto Rico the articles or merchandise named in the following schedules A, B, C, and D, on the terms stated therein, provided that the same be the product or manufacture of the United States and proceed directly from the ports of said States:

SCHEDULE A.

Products or manufactures of the United States to be admitted into Cuba and Porto Rico free of duties:

Marble, jasper, and alabaster, natural or artificial, in rough or in pieces, dressed, squared, and prepared for taking shape; other stones and earthy matters, including cement, employed in building, the arts, and industries; waters, mineral or medicinal; ice: coal, mineral; resin, tar, pitch, turpentine, asphalt, schist, and bitumen; petroleum, raw or crude, in accordance with the classification fixed in the tariff of said islands; clay, ordinary, in paving tiles, large and small, bricks, and roof tiles unglazed, for the construction of buildings, ovens, and other similar purposes; gold and silver coin; iron, cast in pigs, and old iron and steel; iron, cast, in pipes, beams, rafters, and similar articles, for the construction of buildings, and in ordinary manufactures (see repertory); iron, wrought, and steel, in bars, rails and bars and machinery; mining and mechanical tools, implements, and machinery, including stationary and portable engines, and all machinery for manufacturing and industrial purposes, except sewing machines; instruments and books for the arts and sciences; railway construction material and equipment.

And that the Government of Brazil has, by legal enactment, further authorized the admission into all the established ports of entry of Brazil, with a reduction of twenty-five per centum of the duty designated on the respective article in the tariff now in force or which may hereafter be adopted in the United States of Brazil, whether national, State, or municipal, of the articles or merchandise named in the following schedule, provided that the same be the product or manufacture of the United States of America:

2.—SCHEDULE OF ARTICLES TO BE ADMITTED INTO BRAZIL WITH A REDUCTION OF DUTY OF TWENTY-FIVE PER CENTUM.

Lard and substitutes therefor; bacon hams; butter and cheese; canned and preserved meats, fish, fruits, and vegetables; manufactures of cotton, including cotton clothing; manufactures of iron and steel, single or mixed, not included in the foregoing free schedule; leather and the manufactures thereof, except boots and shoes; lumber, timber, and the manufactures of wood, including cooperage, furniture of all kinds, wagons, carts, and carriages; manufactures of rubber.

And that the Government of Brazil has further provided that the laws and regulations adopted to protect its revenue and prevent fraud in the declarations and proof that the articles named in the foregoing schedules are the product or manufacture of the United States of America, shall place no undue restrictions on the importer, nor impose any additional charges or fees therefor on the articles imported.

And whereas the Secretary of State has, by my direction, given assurance to the envoy extraordinary and minister plenipotentiary

SCHEDULE B.

Products or manufactures of the United States to be admitted into Cuba and Porto Rico on payment of the duties stated:

Corn or maize, 25 cents per 100 kilograms; corn meal, 25 cents per 100 kilograms; wheat, 30 cents per 100 kilograms; wheat flour, $1 per 100 kilograms; carriages, cars, and other vehicles for railroads or trainways, where authorization of the Government for free admission has not been obtained, 1 per centum ad valorem.

SCHEDULE C.

Products or manufactures of the United States to be admitted into Cuba and Porto Rico at a reduction of duty of 50 per centum:

Marble, jasper, and alabaster, of all kinds, cut into flags, slabs, or steps, and the same worked or carved in all kinds of articles polished or not; glass and crystal ware, plate and window glass, and the same silvered, quicksilvered, and platinized; clay in tiles, large and small, and mosaic for pavements, colored tiles, roof tiles, glazed and pipes; stoneware and fine earthenware, and porcelain; iron, cast, in fine manufactures or those polished, with coating of porcelain or part of other metals (see repertory); iron, wrought, and steel, in axles, tires, springs, and wheels for carriages, rivets and their washers; iron, wrought, and steel, in fine manufactures or those polished, with coating of porcelain, or part of other metals, not expressly comprised in other numbers of these schedules, and platform scales for weighing (see repertory); needles, pens, knives, table and carving, razors, penknives, scissors, pieces for watches, and other similar articles of iron and steel; tin plate in sheets or manufactured; copper, bronze, brass, and nickel, and alloys of same with common metals, in lump or bars, and all manufactures of the same; all other common metals and alloys of the same in lump or bars, and all manufactures of the same, plain, varnished, gilt, silvered, or nickeled; furniture of all kinds, of wood or metal, including school furniture, blackboards and other materials for schools, and all kinds of articles of fine woods not expressly comprised in other numbers of these schedules (see repertory); rushes, esparto, vegetable hair, broom corn, willow, straw, palm, and other similar materials, manufactured into articles of all kinds; pastes for soups, rice flour, bread and crackers, and alimentary farinas, not comprised in other numbers of these schedules; preserved alimentary substances and canned goods, not comprised in other numbers of these schedules, including sausages, stuffed meats, mustards, sauces, pickles, jams, and jellies; rubber and gutta-percha, and manufactures thereof, alone or mixed with other substances (except silk), and oilcloths and tarpaulin; rice, hulled or unhulled.

SCHEDULE D.

Products or manufactures of the United States to be admitted into Cuba and Porto Rico at a reduction of duty of 25 per centum:

Petroleum, refined, and benzine; cotton, manufactured, spun or twisted, and in goods of all kinds, woven or knit, and the same mixed with other vegetable or animal fibres in which cotton is an equal or greater component part, and clothing exclusively of cotton; rope, cordage and twine of all kinds; colors, crude and prepared, with or without oil, inks of all kinds, shoe blacking and varnishes; soap, toilet, and perfumery; medicines, proprietary or patent and all others, and drugs; stearine and tallow manufactured in candles; paper for printing, for decorating rooms, of wood or straw, for wrapping and packing and bags and boxes of same, sandpaper and pasteboard; leather and skins, tanned, dressed, varnished or japanned, of all kinds, including sole leather or belting; boots and shoes in whole or in part of leather or skins; trunks, valises, traveling bags, portfolios and other similar articles, in whole or in part of leather; harness and saddlery of all kinds; watches and clocks, of gold, silver or other metals, with cases of stone, wood or other material, plain or ornamented; carriages of two or four wheels and pieces of the same.

It is understood that flour which, on its exportation from the United States, has been favored with drawbacks, shall not share in the foregoing reduction of duty.

The provisional arrangement as set forth in the transitory schedule shall come to an end on July 1, 1892, and on that date be substituted by the definite arrangement as set forth in Schedules A, B, C, and D.

And that the Government of Spain has further provided that the laws and regulations, adopted to protect its revenue and prevent fraud in the declarations and proof that the articles named in the foregoing schedules are the product or manufacture of the United States of America, shall place no undue restrictions on

the importer, nor impose any additional charges or fees therefor on the articles imported.

And whereas the Secretary of State has, by my direction, given assurance to the envoy extraordinary and minister plenipotentiary of Spain at Washington that this action of the Government of Spain, in granting exemption of duties to the products and manufactures of the United States of America on their importation into Cuba and Porto Rico, is accepted for those islands as a due reciprocity for the action of Congress as set forth in section 3 of said act.

Now, therefore, be it known that I, Benjamin Harrison, President of the United States of America, have caused the above stated modification of the tariff laws of Cuba and Porto Rico to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this thirty-first day of July, one thousand eight hundred and ninety-one, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:

WILLIAM F. WHARTON,
Acting Secretary of State.

Year ending June 30—	CUBA.[1]		PORTO RICO.[2]	
	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
1888	49,319,087	10,053,560	4,412,483	1,969,618
1889	52,130,623	11,691,311	3,707,373	2,224,931
1890	53,801,591	13,084,415	4,053,626	2,297,538
1891	61,714,395	12,224,888	3,164,110	2,155,234
1892	77,931,671	17,953,570	3,248,007	2,856,003
1893	78,706,506	24,157,698	4,008,623	2,510,607
1894	75,678,261	20,125,321	3,135,634	2,720,508
1895	52,871,259	12,807,661	1,506,512	1,833,544
1896	40,017,730	7,530,880	2,296,653	2,102,094
1897	18,406,815	8,259,776	2,181,024	1,988,888
1898	15,232,477	9,561,656	2,414,356	1,505,946

[1] Treaty period September 1, 1891-August 27, 1894.
[2] Treaty period September 1, 1891-August 27, 1894.

V.

RECIPROCITY WITH SAN DOMINGO; SIGNED AUGUST 1, 1891.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the Secretary of State of the United States of America communicated to the Government of the Dominican Republic the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3, to wit, sugars, molasses, coffee, and hides, to be exempt from duty upon their importation into the United States of America;

And whereas the envoy extraordinary and minister plenipotentiary of the Dominican Republic at Washington has communicated to the special plenipotentiary of the United States the fact that, in reciprocity and compensation for the admission into the United States of America free of all duty of the articles enumerated in section 3 of said act, the Government of the Dominican Republic will, by due legal enactment, admit, from and after September 1, 1891, into all the established

ports of entry of the Dominican Republic, the articles or merchandise named in the following schedules, on the terms stated therein, provided that the same be the product or manufacture of the United States and proceed directly from the ports of said States.

SCHEDULE A.

Articles to be admitted free of duty into the Dominican Republic:

Animals, live; meats of all kinds, salted or in brine, but not smoked; corn or maize, corn meal and starch; oats, barley, rye and buckwheat, and flour of these cereals; hay, bran and straw for forage; trees, plants, vines and seeds and grains of all kinds for propagation; cotton-seed oil and meal cake of same; tallow in cake or melted and oil for machinery, subject to examination and proof respecting the use of said oil; resin, tar, pitch and turpentine; manures, natural and artificial; coal, mineral; mineral waters, natural and artificial; ice; machines, including steam engines, and those of all other kinds, and parts of the same, implements and tools for agricultural, mining, manufacturing, industrial and scientific purposes, including carts, wagons, handcarts and wheelbarrows, and parts of the same; material for the construction and equipment of railways; iron, cast and wrought, and steel, in pigs, bars, rods, plates, beams, rafters and other similar articles for the construction of buildings, and in wire, nails, screws and pipes; zinc, galvanized and corrugated iron, tin and lead in sheets, asbestus, tar paper, tiles, slate and other material for roofing; copper in bars, plates, nails and screws; copper and lead pipe; bricks, fire bricks, cement, lime, artificial stone, paving tiles, marble and other stones in rough, dressed or polished, and other earthy materials used in building; windmills; wire, plain or barbed, for fences, with hooks, staples, nails, and similar articles used in the construction of fences; telegraph wire and telegraphic, telephonic and electrical apparatus of all kinds for communication and illumination; wood and lumber of all kinds for building, in logs or pieces, beams, rafters, planks, boards, shingles, flooring, joists, wooden houses, mounted or unmounted, and accessory parts of buildings; cooperage of all kinds, including staves, headings and hoops, barrels and boxes, mounted or unmounted; materials for shipbuilding; boats and lighters; school furniture, blackboards, and other articles exclusively for the use of schools; books, bound or unbound, pamphlets, newspapers and printed matter, and paper for printing newspapers; printers' inks of all colors, type, leads and all accessories for printing; sacks, empty, for packing sugar; gold and silver coin and bullion.

SCHEDULE B.

Articles to be admitted into the Dominican Republic at a reduction of duty of 25 per centum:

Meats not included in Schedule A and meat products of all kinds, except lard; butter, cheese, and condensed or canned milk; fish and shellfish, salted, dried, smoked, pickled or preserved in cans; fruits and vegetables, fresh, canned, dried, pickled or preserved; manufactures of iron and steel, single or mixed, not included in Schedule A; cotton, manufactured, spun or twisted, and in fabrics of all kinds, woven or knit, and the same fabrics mixed with other vegetable or animal fibers in which cotton is the equal or greater component part; boots and shoes in whole or in part of leather or skins; paper for writing, in envelopes, ruled or blank books, wall paper, paper for wrapping and packing, for cigarettes, in cardboard, boxes and bags, sandpaper and pasteboard; tin plate and tinware for arts, industries and domestic uses; cordage, rope and twine of all kinds; manufactures of wood of all kinds not embraced in Schedule A, including wooden ware, implements for household use, and furniture in whole or in part of wood.

And that the Government of the Dominican Republic has further provided that the laws and regulations, adopted to protect its revenue and prevent fraud in the declarations and proof that the articles named in the foregoing schedules are the product or manufacture of the United States of America, shall place no undue restrictions on the importer, nor impose any additional charges or fees therefor on the articles imported.

And whereas the special plenipotentiary of the United States has, by my direction, given assurance to the envoy extraordinary and minister plenipotentiary of the Dominican Republic at Washington that this action of the Government of the Dominican Republic, in granting exemption of duties to the products and manufactures of the United States of America on their importation into the Dominican Republic, is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act.

Now, therefore, be it known that I, Benjamin Harrison, President of the United States of America, have caused the above stated modifications of the tariff laws of the Dominican Republic to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this first day of August, one thousand eight hundred and ninety-one, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:

WILLIAM F. WHARTON,
Acting Secretary of State.

SANTO DOMINGO.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1888	1,459,392	817,707
1889	1,454,261	1,180,019
1890	1,951,013	950,217
1891	1,610,360	1,023,751
1892	2,293,748	1,019,450
1893	2,396,315	1,143,479
1894	3,200,852	1,768,602
1895	1,514,583	1,361,067
1896	2,895,069	1,064,116
1897	2,369,424	1,098,635
1898	2,382,139	1,151,253

[1] Treaty period September 1, 1891-August 27, 1894.

VI.

RECIPROCITY WITH BRITISH WEST INDIES, ETC.; SIGNED FEBRUARY 1, 1892.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the attention of the Government of Great Britain was called to the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3 to be exempt from duty upon their importation into the United States of America;

And whereas the envoy extraordinary and minister plenipotentiary of Great Britain at Washington has communicated to the Secretary of State the fact that, in view of the act of Congress above cited, the Government of Great Britain has, by due legal enactment, authorized the admission, from and after February 1, 1892, of the articles in merchandise named in the following schedules, on the terms stated therein, into the British colonies of Trinidad (which includes Tobago), Barbados, the Leeward Islands (consisting of the islands of Antigua, Monsterrat, Saint Christopher, Nevis, Dominica, with their respective dependencies, and the Virgin Islands), the Windward Islands (consisting of St. Lucia, St. Vincent, and their dependencies, but exclusive of Grenada and its dependencies); and into the colony of British Guiana on and after April 1, 1892:

TABLE NO. 1.—APPLICABLE TO BRITISH GUIANA, TRINIDAD AND TOBAGO, BARBADOS, THE LEEWARD ISLANDS, AND THE WINDWARD ISLANDS, EXCEPTING THE ISLAND OF GRENADA.

SCHEDULE A.

Articles to be admitted free of all customs duty and any other national, colonial, or municipal charges:

Animals, alive; to include only asses, sheep, goats, hogs, and poultry, and horses for breeding; beef, including tongues, smoked and dried; beef and pork preserved in cans; belting for machinery, of leather, canvas, or india rubber; boats

and lighters; books,[1] bound or unbound, pamphlets, newspapers, and printed matter in all languages; bones and horns; bottles of glass or stone ware; bran, middlings, and shorts; bridges of iron or wood, or of both combined; brooms, brushes, and whisks of broom straw; candles, tallow; carts, wagons, cars, and barrows, with or without springs, for ordinary roads and agricultural use, not including vehicles of pleasure; clocks, mantel or wall; copper, bronze, zinc, and lead articles; plain and nickel-plated, for industrial and domestic uses and for building; cotton seed and its products; crucibles and melting pots of all kinds; eggs; fertilizers of all kinds, natural and artificial; fish, fresh or on ice, and salmon and oysters in cans; fishing apparatus of all kinds; fruits and vegetables, fresh and dried, when not canned, tinned, or bottled; gas fixtures and pipes; gold and silver coin of the United States and bullion; hay and straw for forage; houses of wood, complete; ice; india-rubber and gutta-percha goods, including water-proof clothing made wholly or in part thereof; implements, utensils, and tools for agriculture, exclusive of cutlasses and forks; lamps and lanterns; lime of all kinds; locomotives, railway rolling stock, rails, railway ties, and all materials and appliances for railways and tramways; marble or alabaster, in the rough or squared, worked or carved, for building purposes or monuments; medicinal extracts and preparations of all kinds, including proprietary or patent medicines, but exclusive of quinine or preparations, of quinine, opium, gange, and bhang; paper of all kinds for printing; paper of wood or straw for wrapping and packing, including surface coated or glazed; photographic apparatus and chemicals; printers' ink, all colors; printing presses, types, rules, spaces, and all accessories for printing; quicksilver; resin, tar, pitch, and turpentine; salt; sewing machines, and all parts and accessories thereof; shipbuilding materials and accessories of all kinds, when used in the construction, equipment, or repair of vessels or boats of any kind, except rope and cordage of all kinds, including wire rope; starch of indian corn or maize; steam and power engines, and machines, machinery, and apparatus, whether stationary or portable, worked by power or by hand, for agriculture, irrigation, mining, the arts and industries of all kinds, and all necessary parts and appliances for the erection or repair thereof or the communication of motive power thereto; steam boilers and steam pipes; sulphur; tan bark of all kinds, whole or ground; telegraph wire, telegraphic, telephonic, and electrical apparatus and appliances of all kinds for communication or illumination; trees, plants, vines, and seeds and grains of all kinds, for propagation or cultivation; varnish, not containing spirits; wall papers; watches, when not cased in gold or silver; and watch movements uncased; water pipes of all classes, materials, and dimensions; wire for fences, with the hooks, staples, nails, and the like appliances for fastening the same; yeast cake and baking powders; zinc, tin, and lead, in sheets, asbestus, and tar paper, for roofing.

It is understood that the packages or coverings in which the articles named in the foregoing schedule are imported shall be free of duty if they are usual and proper for the purpose.

SCHEDULE B.

Articles to be admitted at 50 per cent. reduction of the duty designated in the respective customs tariff now in force in each of said colonies:

Bacon and bacon hams; boots and shoes made wholly or in part of leather; bread and biscuit; cheese; lard and its compounds; mules; oleomargarine; shooks and staves.

SCHEDULE C.

Articles to be admitted at 25 per cent. reduction of the duty designated in the respective customs tariff now in force in each of said colonies:

Beef, salted or pickled; corn or maize; corn meal; flour of wheat; lumber of pitch pine, in rough or prepared for buildings; petroleum and its products, crude or refined; pork, salted or pickled; wheat.

It is understood that No. 4 of this schedule shall not apply to the colony of Trinidad, but it is stipulated that the duty on flour in said colony shall not exceed 75 cents per barrel.

And that the Government of Great Britain has, by due legal enactment, authorized the admission, from and after February 1, 1892, of the articles or merchandise named in the following schedules, on the terms stated therein, into the British colony of Jamaica and its dependencies:

TABLE NO. 2.—APPLICABLE TO THE COLONY OF JAMAICA AND ITS DEPENDENCIES.

SCHEDULE A.

Articles to be admitted free of all customs duty and any other national, colonial, or municipal charges:

Animals, alive, and poultry; beef, including tongues, smoked and dried; beef

and pork preserved in cans; belting for machinery, of leather, canvas, or india rubber; boats and lighters; books,[1] bound or unbound, pamphlets, newspapers, and printed matter in all languages; bones and horns; bottles of glass or stone ware; bran, middlings, and shorts; bridges of iron or wood, or of both combined; brooms, brushes and whisks of broom straw; candles, tallow; carts, wagons, cars, and barrows, with or without springs, for ordinary roads and agricultural use, not including vehicles of pleasure; coal and coke; clocks, mantel or wall; cotton seed and its products, to include meal, meal cake, oil, and cottolene; crucibles and melting pots of all kinds; drawings, paintings, engravings, lithographs, and photographs; eggs; fertilizers of all kinds, natural and artificial; fish, fresh or on ice, and oysters in cans; fishing apparatus of all kinds; fruits and vegetables, fresh and dried, when not canned, tinned, or bottled; gas fixtures and pipes; gold and silver coin of the United States and bullion; hay and straw for forage; houses of wood, complete; ice; india-rubber and gutta-percha goods, including waterproof clothing made wholly or in part thereof; implements, utensils, and tools for agriculture, exclusive of cutlasses and forks; iron, galvanized; iron for roofing; lamps and lanterns, not exceeding 10 shillings each in value; lime of all kinds; locomotives, railway rolling stock, rails, railway ties, and all materials and appliances for railways and tramways; marble or alabaster, in the rough or squared, worked or carved, for building purposes or monuments; paper of all kinds for printing; paper of wood or straw for wrapping and packing, including surface-coated or glazed; photographic apparatus and chemicals; printers' ink, all colors; printing presses, types, rules, spaces, and all accessories for printing; proprietary or patent medicines, recommended by their proprietors as calculated to cure disease or alleviate pain in the human subject; quicksilver; resin, tar, pitch, and turpentine; sewing machines, and all parts and accessories thereof; shipbuilding materials and accessories of all kinds, when used in the construction, equipment, or repair of vessels or boats of any kind, except rope and cordage of all kinds, including wire rope, and subject to specific regulations to avoid abuse in the importation; shooks and staves; starch, of indian corn or maize; steam and power engines and machines, machinery, and apparatus, whether stationary or portable, worked by power or by hand, for agriculture, irrigation, mining, the arts and industries of all kinds, and all necessary parts and appliances for the erection or repair thereof or the communication of motive power thereto; steam boilers and steam pipes; sugar, refined; sulphur; tallow and animal greases; tan bark of all kinds, whole or ground; telegraph wire, telegraphic, telephonic, and electrical apparatus and appliances of all kinds, for communication or illumination; trees, plants, vines, and seeds and grains of all kinds, for propagation or cultivation; varnish, not containing spirits; wall papers; watches, when not cased in gold or silver, and watch movements, uncased; water pipes of all classes, materials, and dimensions; wire for fences, with the hooks, staples, nails, and the like appliances for fastening the same; yeast cake and baking powders; zinc, tin, and lead, in sheets, asbestus and tar paper, for roofing.

It is understood that the packages or coverings in which the articles named in the foregoing schedule are imported shall be free of duty if they are usual and proper for the purpose.

SCHEDULE B.

Articles to be admitted at 50 per cent. reduction of the duty designated in the customs tariff now in force:

Bacon and bacon hams; bread and biscuit; butter; cheese; lard and its compounds.

Lumber of pitch pine, in rough or prepared for buildings, to be reduced to 9 shillings per 1,000 feet.

SCHEDULE C.

Articles to be admitted at 25 per cent. reduction of the duty designated in the customs tariff now in force:

Beef, salted or pickled; corn and maize; corn meal; oats; petroleum and its products, crude or refined; pork, salted or pickled; wheat.

And whereas the Secretary of State has, by my direction, given the assurance to the envoy extraordinary and minister plenipotentiary of Great Britain at Washington that this action of the Government of Great Britain in granting remissions and alterations of duties in the British colonies above mentioned, is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act.

Now, therefore, be it known that I, Benjamin Harrison, President of the United States of America, have caused the above stated modifications of the tariff laws of

[1] The importation of books is subject to the provisions of copyright laws.

the aforesaid British colonies to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this first day of February, one thousand eight hundred and ninety-two, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:
JAMES G. BLAINE,
Secretary of State.

Year ending June 30—	BRITISH GUIANA.[1]		BRITISH WEST INDIES.[2]	
	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
1888	2,822,382	1,717,411	12,550,940	7,611,533
1889	4,526,181	1,696,269	15,985,562	8,388,106
1890	4,326,975	2,106,345	14,865,018	8,288,786
1891	4,883,206	1,858,742	16,293,184	9,779,138
1892	4,363,204	1,933,299	12,440,132	8,130,257
1893	5,029,178	2,000,675	16,028,592	8,044,846
1894	4,223,970	2,414,720	13,017,178	8,512,016
1895	2,521,704	1,705,631	9,777,444	7,764,178
1896	3,418,578	1,749,193	10,800,618	8,734.153
1897	3,661,956	1,565,936	12,285,885	7,943,299
1898	3,060,968	1,747,375	10,632,187	8,386,240

[1] Treaty period April 1, 1892-August 27, 1894.
[2] Treaty period February 1, 1892-August 27, 1894.

VII.

RECIPROCITY WITH SALVADOR; SIGNED DECEMBER 31, 1891.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the Secretary of State of the United States of America communicated to the Government of Salvador the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3 to be exempt from duty upon their importation into the United States of America;

And whereas the envoy extraordinary and minister plenipotentiary of Salvador at Washington has communicated to the Secretary of State the fact that, in reciprocity for the admission into the United States of America free of all duty of the articles enumerated in section 3 of said act, the Government of Salvador will, by due legal enactment as a provisional measure and until a more complete arrangement may be negotiated and put in operation, admit free of all duty from and after February 1, 1892, into all the established ports of entry of Salvador, the articles or merchandise named in the following schedule, provided that the same be the product or manufacture of the United States:

SCHEDULE

of products and manufactures which the Republic of Salvador will admit free of all customs, municipal, and any other kind of duty.

Animals for breeding purposes; corn, rice, barley and rye; beans; hay and straw for forage; fruits, fresh; preparations of flour in biscuits, crackers not sweetened, macaroni, vermicelli, and tallarin; coal, mineral; roman cement; hydraulic lime; bricks, fire bricks, and crucibles for melting; marble, dressed, for furniture, statues, fountains, gravestones, and building purposes; tar, vegetable and mineral; guano, and other fertilizers, natural or artificial; plows and all other agricultural

tools and implements; machinery of all kinds, including sewing machines, and separate or extra parts for the same; materials of all kinds for the construction and equipment of railroads; materials of all kinds for the construction and operation of telegraphic and telephonic lines; materials of all kinds for lighting by electricity and gas; materials of all kinds for the construction of wharves; apparatus for distilling liquors; wood of all kinds for building, in trunks or pieces, beams, rafters, planks, boards, shingles, or flooring; wooden staves, heads and hoops, and barrels and boxes for packing, mounted or in pieces; houses of wood or iron, complete or in parts; wagons, carts, and carriages of all kinds; barrels, casks, and tanks of iron for water; tubes of iron, and all other accessories necessary for water supply; wire, barbed, and staples for fences; plates of iron for building purposes; mineral ores; kettles of iron for making salt; kettles of iron for making sugar; molds for making sugar; guys for mining purposes; furnaces and instruments for assaying metals; scientific instruments; models of machinery and buildings; boats, lighters, tackle, anchors, chains, girtlines, sails, and all other articles for vessels to be used in the ports, lakes, and rivers of the Republic; printing materials, including presses, type, ink, and all other accessories; printed books, pamphlets, and newspapers, bound or unbound, maps, photographs, printed music, and paper for music; paper for printing newspapers; quicksilver; lodestones; hops; sulphate of quinine; gold and silver, in bars, dust, or coin; samples of merchandise the duties on which do not exceed $1.

It is understood that the packages or coverings in which the articles named in the foregoing schedules are imported shall be free of duty if they are usual and proper for the purpose.

And that the Government of Salvador has further stipulated that the laws and regulations, adopted to protect its revenue and prevent fraud in the declarations and proof that the articles named in the foregoing schedule are the product or manufacture of the United States of America, shall impose no additional charges on the importer nor undue restrictions on the articles imported.

And whereas the Secretary of State has, by my direction, given assurance to the envoy extraordinary and minister plenipotentiary of Salvador at Washington that this action of the Government of Salvador in granting freedom of duties to the products and manufactures of the United States of America on their importation into Salvador, and in stipulating for a more complete reciprocity arrangement, is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act.

Now, therefore, be it known that I, Benjamin Harrison, President of the United States of America, have caused the above stated modifications of the tariff laws of Salvador to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this thirty-first day of December, one thousand eight hundred and ninety-one, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:

JAMES G. BLAINE,
Secretary of State.

SALVADOR.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1888	1,473,430	647,268
1889	1,662,162	701,196
1890	1,453,958	899,546
1891	1,783,066	1,150,460
1892	2,330,702	1,294,268
1893	1,355,730	1,138,430
1894	2,926,469	1,071,695
1895	3,174,677	1,260,628
1896	1,166,970	1,608,573
1897	1,112,534	1,619,568
1898	799,145	796,575

[1] Treaty period February 1, 1892-August 27, 1894.

VIII.

RECIPROCITY WITH NICARAGUA; SIGNED MARCH 18, 1892.

By the President of the United States of America.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the Secretary of State of the United States of America communicated to the Government of Nicaragua the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3 to be exempt from duty upon their importation into the United States of America;

And whereas the envoy extraordinary and minister plenipotentiary of Nicaragua at Washington has communicated to the Secretary of State the fact that, in reciprocity for the admission into the United States of America free of all duty of the articles enumerated in section 3 of said act, the Government of Nicaragua will, by due legal enactment, admit free of all duty from and after April 15, 1892, into all the ports of entry of Nicaragua, the articles or merchandise named in the following schedule, provided that the same be the product of the United States:

Schedule

of articles which the Republic of Nicaragua will admit free of all kind of duty:

Animals, live; barley, indian corn, wheat, oats, rye, and rice; seeds of all kinds for agriculture and horticulture; live plants of all kinds; corn meal; starch; beans, potatoes, and all other vegetables, fresh or dried; fruits, fresh or dried; hay, bran, and straw for forage; cotton seed oil and all other products of said seed; tar, resin, and turpentine; asphalt, crude or manufactured in blocks; quicksilver for mining purposes; coal, mineral or animal; fertilizers for land; lime and cement; wood and lumber, in the rough or prepared for building purposes; houses of wood or iron; marble, in the rough or dressed, for fountains, gravestones, and building purposes; tools and implements for agricultural and horticultural purposes; wagons, carts, and handcarts; iron and steel, in rails for railroads and other similar uses, and structural iron and steel for bridges and building purposes; wire, for fences, with or without barbs, clamps, posts, clips, and other accessories, of wire not less than three lines in diameter; machinery of all kinds for agricultural purposes, arts, and trades, and parts of such machinery; motors of steam or animal power; forges, water pumps of metal, pump hose, sledge hammers, drills for mining purposes, iron piping with its keys and faucets, crucibles for melting metals, iron water tanks, and lightning rods; roofs of galvanized iron, gutters, ridging, clamps, and screws for the same; printing materials; books, pamphlets, and other printed matter, and ruled paper for printed music, printing paper in sheets not less than 29 by 20 inches; geographical maps or charts, and celestial and terrestrial spheres or globes; surgical and mathematical instruments; stones and fire-bricks for smelting furnaces; vessels and boats of all kinds, fitted together or in parts; gold and silver, in bullion, bars, or coin.

It is understood that the packages or coverings in which the articles named in the foregoing schedule are imported shall be free of duty if they are usual and proper for the purpose.

And that the Government of Nicaragua has further stipulated that the laws and regulations, adopted to protect its revenue and prevent fraud in the declarations and proof that the articles named in the foregoing schedule are the product of the United States of America, shall impose no undue restrictions on the importer nor additional charges on the articles imported.

And whereas the Secretary of State has, by my direction, given assurance to the envoy extraordinary and minister plenipotentiary of Nicaragua at Washington that this action of the Government of Nicaragua in granting freedom of duties to the products of the United States of America on their importation into Nicaragua, is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act.

Now, therefore, be it known that I, Benjamin Harrison, President of the United States of America, have caused the above stated modifications of the tariff laws of Nicaragua to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this twelfth day of March, one thousand eight hundred and ninety-two, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:
WILLIAM F. WHARTON,
Acting Secretary of State.

NICARAGUA.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1888	1,496,171	927,022
1889	1,747,246	1,009,687
1890	1,655,690	1,373,019
1891	1,705,961	1,692,942
1892	1,657,873	1,307,179
1893	1,400,236	937,859
1894	1,564,472	935,142
1895	1,538,792	1,073,467
1896	1,268,922	1,269,015
1897	1,262,701	1,190,695
1898	1,095,865	1,049,505

[1] Treaty period March 12, 1892-August 27, 1894.

IX.

RECIPROCITY WITH GUATEMALA; SIGNED MAY 18, 1892.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the Secretary of State of the United States of America communicated to the Government of Guatemala the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3 to be exempt from duty upon their importation into the United States of America;

And whereas the envoy extraordinary and minister plenipotentiary of Guatemala at Washington has communicated to the Secretary of State the fact that, in reciprocity for the admission into the United States of America free of all duty of the articles enumerated in section 3 of said act, the Government of Guatemala will, by due legal enactment of the National Congress of that Republic, admit, free of all duty, from and after the thirtieth day after the said passage of the said act by the Congress of Guatemala, into all the established ports of entry of that Republic, the articles of merchandise named in the following schedule, provided that the same be the product or manufacture of the United States:

SCHEDULE

of articles, the product or manufacture of the United States, to be admitted into Guatemala free of all customs duties, and of any national or municipal dues, and national port charges.

Live animals; barley, corn or maize, and rye; corn meal; potatoes, peas, and beans; fresh vegetables; rice; hay and straw for forage; tar, pitch, resin, turpentine, and asphalt; cotton seed oil, and other products of said seed; quicksilver; mineral coal; guano and other fertilizers; lumber and timber, in the rough or prepared for building purposes; houses of wood or iron, complete or in parts; fire bricks, lime, cement, shingles, and tiles of clay or glass for roofing and construction

of buildings; marble in slabs, columns, cornices, door and window frames and fountains, and dressed or undressed marble for buildings; piping of clay, glazed or unglazed, for aqueducts and sewers; wire, plain or barbed, for fences, with hooks and staples for same; printed books, bound or unbound, printed music, maps, charts, and globes; materials for the construction and equipment of railways; materials for electrical illumination; materials expressly for the construction of wharves; anchors and hoisting tackle; railings of cast or wrought iron; balconies of cast or wrought iron; window blinds of wood or metal; iron fireplaces or stoves; machinery, including steam machinery for agriculture and mining, and separate parts of the same; gold and silver, in bullion, dust, or coin.

It is understood that the packages or coverings in which the articles named in the foregoing schedule are imported shall enter free of duty if they are usual and proper for the purpose.

And whereas the Government of Guatemala has further stipulated that the laws and regulations adopted to protect its revenues and prevent fraud in the declarations and proof that the articles named in the foregoing schedule are the product or manufacture of the United States of America shall impose no undue restrictions on the importer and no additional charges on the articles imported;

And whereas the Secretary of State has, by my direction, given assurance to the envoy extraordinary and minister plenipotentiary of Guatemala at Washington that this action of the Government of Guatemala in granting freedom of duties to the products and manufactures of the United States of America on their importation into Guatemala is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act;

And whereas the diplomatic representative of the United States of America at the city of Guatemala has been advised by the Government of Guatemala of the passage on April 30, 1892, of an act by the National Congress of that Republic approving the commercial arrangements concluded between the Governments of the two Republics, and of the issue of a decree admitting on and after the 30th day of May, 1892, the articles mentioned in the above schedule, being the product or manufacture of the United States of America, into the ports of Guatemala free of all duties whatsoever;

Now, therefore, be it known that I, Benjamin Harrison, President of the United States of America, have caused the above stated modifications of the tariff laws of Guatemala to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this eighteenth day of May, one thousand eight hundred and ninety-two, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.]

BENJ. HARRISON.

By the President:

JAMES G. BLAINE,
Secretary of State.

GUATEMALA.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1888	2,085,467	916,861
1889	2,346,685	994,701
1890	2,281,681	1,345,719
1891	2,618,199	1,997,944
1892	3,182,838	1,851,352
1893	2,554,710	1,763,862
1894	2,225,586	1,664,584
1895	2,699,384	2,665,408
1896	2,080,027	3,158,059
1897	1,862,589	3,047,181
1898	1,854,303	1,201,714

[1] Treaty period May 30, 1892-August 27, 1894.

X.

RECIPROCITY WITH HONDURAS; SIGNED APRIL 30, 1892.

By the President of the United States of America.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," the Secretary of State of the United States of America communicated to the Government of Honduras the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3 to be exempt from duty upon their importation into the United States of America;

And whereas the consul-general of Honduras at New York has communicated to the Secretary of State the fact that, in reciprocity for the admission into the United States of America free of all duty of the articles enumerated in section 3 of said act, the Government of Honduras will, by legal enactment as a provisional measure and until a more complete arrangement may be negotiated and put in operation, admit free of all duty from and after May 25, 1892, into all the established ports of entry of Honduras, the articles or merchandise named in the following schedule, provided that the same be the product or manufacture of the United States.

Schedule

of products and manufactures from the United States which the Republic of Honduras will admit free of all customs, municipal, and any other kind of duty:

Animals for breeding purposes; corn, rice, barley, and rye; beans; hay and straw for forage; fruits, fresh; preparations of flour in biscuits, crackers not sweetened, macaroni, vermicelli, and tallarin; coal, mineral; Roman cement; hydraulic lime; bricks, fire bricks, and crucibles for melting; marble, dressed, for furniture, statues, fountains, gravestones, and building purposes; tar, vegetable and mineral; guano and other fertilizers, natural or artificial; plows and all other agricultural tools and implements; machinery of all kinds, including sewing machines, and separate or extra parts for the same; materials of all kinds for the construction and equipment of railroads; materials of all kinds for the construction and operation of telegraphic and telephonic lines; materials of all kinds for lighting by electricity and gas; materials of all kinds for the construction of wharves; apparatus for distilling liquors; woods of all kinds for building, in trunks or pieces, beams, rafters, planks, boards, shingles, or flooring; wooden staves, heads, and hoops, and barrels and boxes for packing, mounted or in pieces; houses of wood or iron, complete or in parts; wagons, carts, and carriages of all kinds; barrels, casks, and tanks of iron for water; tubes of iron and all other accessories necessary for water supply; wire, barbed, and staples for fences; plates of iron for building purposes; mineral ores; kettles of iron for making salt; sugar-boilers; molds for sugar; guys for mining purposes; furnaces and instruments for assaying metals; scientific instruments; models of machinery and buildings; boats, lighters, tackle, anchors, chains, girtlines, sails, and all other articles for vessels, to be used in the ports, lakes, and rivers of the Republic; printing materials, including presses, type, ink, and all other accessories; printed books, pamphlets, and newspapers, bound or unbound, maps, photographs, printed music, and paper for music; paper for printing newspapers; quicksilver; lodestones; hops; sulphate of quinine; gold and silver in bars, dust, or coin; samples of merchandise the duties on which do not exceed $1.

It is understood that the packages or coverings in which the articles named in the foregoing schedule are imported shall be free of duty if they are usual and proper for the purpose.

And that the Government of Honduras has further stipulated that the laws and regulations adopted to protect its revenue and prevent fraud in the declarations and proof that the articles named in the foregoing schedule are the product or manufacture of the United States of America, shall impose no additional charges on the importer nor undue restrictions on the articles imported.

And whereas the Secretary of State has, by my direction, given assurance to the consul-general of Honduras at New York that this action of the Government of Honduras in granting freedom of duties to the products and manufactures of the United States of America on their importation into Honduras, and in stipulating for a more complete reciprocity arrangement, is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act.

Now, therefore, be it known that I, Benjamin Harrison, President of the

United States of America, have caused the above stated modifications of the tar laws of Honduras to be made public for the information of the citizens of th United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of th United States to be affixed.

Done at the city of Washington, this thirtieth day of April, one thousan eight hundred and ninety-two, and of the Independence of the United States America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:

JAMES G. BLAINE,
Secretary of State.

HONDURAS.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. to—
	Dollars.	*Dollars.*
1888	959,331	690,5
1889	1,215,561	637,1
1890	984,404	552,0
1891	1,159,591	640,9
1892	962,329	515,2
1893	684,912	471,6
1894	765,138	558,5
1895	872,312	645,7
1896	776,644	610,6
1897	847,230	724,9
1898	784,741	752,2

[1] Treaty period May 25, 1892-August 27, 1894.

XI.

RECIPROCITY WITH GERMANY; SIGNED FEBRUARY 1, 1892.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1890, entitled "An act to reduce the revenue and equalize duties on imports, a for other purposes," the attention of the Government of the German Empire w called to the action of the Congress of the United States of America, with a vie to procure reciprocal trade, in declaring the articles enumerated in said section to be exempt from duty upon their importation into the United States of Americ

And whereas the chargé d'affaires of the German Empire at Washington h communicated to the special plenipotentiary of the United States the fact that, view of the act of Congress above cited, the German Imperial Government ha by due legal enactment, authorized the admission, from and after February 1892, into the German Empire, of the articles or merchandise, the product of t United States of America, named in the following schedule, on the terms stat therein:

SCHEDULE OF ARTICLES TO BE ADMITTED INTO GERMANY.

ARTICLES.	Rate o duty p 100 ki gram
	Mark
Bran; malted germs	Fr
Flax, raw, dried, broken or hetcheled, also refuse portions	Fr
Wheat	3
Rye	3
Oats	2

ARTICLES.	Rate of duty per 100 kilograms.
	Marks.
Buckwheat	2.00
Pulse	1.50
Other kinds of grain not specially mentioned	1.00
Barley	2.00
Rape seed, turnip seed, poppy, sesame, peanuts, and other oleaginous products not specially mentioned	2.00
Maize (indian corn)	1.60
Malt (malted barley)	3.60
Anise, coriander, fennel, and caraway seed	3.00
Agricultural productions not otherwise designated	Free.
Horsehair, raw, hetcheled, boiled, dyed, also laid in the form of tresses and spun; bristles, raw bed feathers	Free.
Bed feathers, cleaned and prepared	Free.
Hides and skins, raw (green, salted, limed, dried), and stripped of the hair for the manufacture of leather	Free.
Charcoal	Free.
Bark of wood and tan bark	Free.
Lumber and timber:	
(*a*) Raw or merely rough hewn with ax or saw, with or without bark; oaken barrel staves	.20
(*b*) Marked in the direction of the longitudinal axis, or prepared or cut otherwise than by rough hewing; barrel staves not included under (*a*): unpeeled osiers and hoops; hubs, felloes, and spokes	.30
(*c*) Sawed in the direction of the longitudinal axis; unplaned boards; sawed cantle woods and other articles, sawn or hewn	.80
Wood in cut veneering; unglued, unstained parts of floors	5.00
Hops; also hop-meal	gross.. 14.00
Butter; also artificial butter	17.00
Meat; slaughtered, fresh, with the exception of pork	15.00
Pork; slaughtered, fresh, and dressed meat, with the exception of bacon, fresh or prepared	17.00
Game of all kinds (not alive)	20.00
Cheese, except Strecchino, Gorgonzola, and Parmesan	20.00
Fruit, seeds, berries, leaves, flowers, mushrooms, vegetables, dried, baked, pulverized, only boiled down or salted, all these products, so far as they are not included under other numbers of the tariff; juices of fruits, berries, and turnips; preserved without sugar to be eaten; dry nuts	4.00
Mill products of grain and pulse, to wit, ground or shelled grains, peeled barley, groats, grits, flour, common cakes (baker's products)	7.30
Residue, solid, from the manufacture of fat oils, also ground	Free.
Goose grease, and other greasy fats, such as: Oleomargarine, sperfett (a mixture of stearic fats with oil), beef marrow	10.00
Live animals and animal products not mentioned elsewhere; also beehives with live bees	Free.
Horses	each.. 20.00
a Horses up to 2 years old	do... 10.00
b Colts following their dams	Free.
Bulls and cows	9.00
Oxen	25.50
Calves less than 6 weeks old	3.00
Hogs	5.00
Pigs, weighing less than 10 kilograms	1.00
Sheep	1.00
Lambs	.50
Wool, including animal hair not mentioned elsewhere, as well as stuffs made thereof:	
(*a*) Wool, raw, dyed, ground; also hair, raw, hetcheled, boiled, dyed; also curled	Free.

And whereas the special plenipotentiary of the United States has, by my direction, given assurance to the chargé d'affaires of the German Empire at Wash-

ington that this action of the Government of the German Empire, in granting exemption of duties to the products and manufactures of the United States of America on their importation into Germany, is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act:

Now, therefore, be it known that I, Benjamin Harrison, President of the United States of America, have caused the above stated modifications of the tariff laws of the German Empire to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed

Done at the city of Washington, this first day of February, one thousand eight hundred and ninety-two, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:

JAMES G. BLAINE,
Secretary of State.

GERMANY.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1888	78,421,835	56,414,171
1889	81,742,546	68,002,594
1890	98,837,683	85,563,312
1891	97,316,383	92,795,456
1892	82,907,553	105,521,558
1893	96,210,203	83,578,988
1894	69,387,905	92,357,163
1895	81,014,065	92,053,753
1896	94,240,833	97,897,197
1897	111,210,614	125,246,088
1898	69,697,378	155,039,972

[1] Treaty period February 1, 1892-August 24, 1894.

XII.

RECIPROCITY WITH AUSTRIA-HUNGARY; SIGNED MAY 26, 1892.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, pursuant to section 3 of the act of Congress approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports and for other purposes," the attention of the Government of Austria-Hungary was called to the action of the Congress of the United States of America, with a view to secure reciprocal trade, in declaring the articles enumerated in said section 3 to be exempt from duty upon their importation into the United States of America;

And whereas the minister plenipotentiary of Austria-Hungary at Washington has communicated to the Secretary of State the fact that, in view of the act of Congress above cited, the Government of Austria-Hungary has, by due legal enactment, authorized the admission, on and after May 25, 1892, into Austria-Hungary of all the articles of merchandise, the product of the United States of America, named in the commercial treaties which Austria-Hungary has celebrated with Germany and other nations, on the terms stated in said treaties;

And whereas the Secretary of State has, by my direction, given assurance to the minister plenipotentiary of Austria-Hungary at Washington that this action of the Government of Austria-Hungary, in granting exemption of duties to the products and manufactures of the United States of America on their importation into Austria-Hungary is accepted as a due reciprocity for the action of Congress as set forth in section 3 of said act:

Now, therefore, be it known that I, Benjamin Harrison, President of the United

States of America, have caused the above-stated modifications of the tariff laws of Austria-Hungary to be made public for the information of the citizens of the United States of America.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this twenty-sixth day of May, one thousand eight hundred and ninety-two, and of the Independence of the United States of America the one hundred and sixteenth.

[SEAL.] BENJ. HARRISON.

By the President:

WILLIAM F. WHARTON,
Acting Secretary of State.

Mr. Goldschmidt to Mr. Wharton.

No. 205.] UNITED STATES CONSULATE-GENERAL,
Vienna, April 1, 1892.

HON. WILLIAM F. WHARTON,
Assistant Secretary of State.

SIR: I have the honor to transmit to the Department of State a carefully prepared list, showing the reductions on the Austria-Hungarian general tariff duties, lowered by convention with Germany, Italy, Belgium, Switzerland, and Servia, giving a condensed abstract of such duties as lowered by convention with the above-named countries according to the United States tariff classification, with the Austrian tariff number added, and showing both the general tariff duty and the duty lowered by convention, in gold florins per 100 kilograms. I will add that the letters attached to each article represent the countries which are granted these concessions. G. stands for Germany, I. for Italy, S. for Switzerland, B. for Belgium, and Sv. for Servia. One item, "sparkling wines," refers to F., or France. I am, etc.,

JULIUS GOLDSCHMIDT, *United States Consul-General.*

SCHEDULE.

[Enclosure in Consul-General Goldschmidt's note.]

CONDENSED EXTRACTS OF DUTIES LOWERED BY CONVENTION.

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Agricultural implements:		
Machines and apparatus of base metals (i. e., with more than 50 per cent. of base metals) not otherwise provided for (G., I.)	15.00	12.00
Machines and apparatus not particularly enumerated (paper machines with drying apparatus), brick machines (machines for reducing, pressing, or forming of clay earths), machines for kneading dough, drying apparatus for fruit and vegetables, colanders of every description weighing 60 grams and more, rolling and milling machines, electric dynamos, machines for making tools weighing 100 grams and more, engines for steamers—all these either complete or taken apart (G., I., S., B.)	8.50	5.00
All other machines and apparatus not otherwise provided for (G., I., S., B.)	.....	7.50

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Agricultural implements.—*Continued.*		
Machines for making blinds, embroidering machines, etc. (G., I., S.)	4.25	3.00
Common iron and steel goods, made from malleable iron, cast steel, wrought iron, or steel—		
Painted roughly but not bored (G., I., B., S.)	5.00	4.00
Ground, turned, planed, or coated with copper, tin, zinc, lead, or finely painted (G., I., S.)	8.50	8.00
Colored wooden spools (G., I.)	5.00	2.50
Animals:		
Oxen (G., I.) ..... per head	15.00	12.75
Young cattle (G., I.) ..... do	3.00	2.50
Hogs (G., I.) ..... do	3.00	1.50
Horses up to 2 years old (G., I.) ..... do	10.00	5.00
Mules, donkeys (G., I.) ..... do	2.00	Free.
Dead fowls (G., I.) ..... do	6.00	3.00
Fish, fresh; river and creek crawfish; snails, fresh (G., I.)	2.00	Free.
Art works	Free.	Free.
Bark and extracts, coloring wood:		
Dyewoods—		
Cut into pieces—rasped, ground, cut (G., I.)	1.00	.75
Reduced in size, fermented	2.00	.75
Orchilla, Persia, indigo, cochineal (G., I.)	3.00	Free.
Tanning and dyeing extracts not otherwise provided for (G., I.)	3.00	1.50
Blacking, shoeblacking (G., I.)	5.00	4.00
Bones, hoofs, horns, etc	Free.	Free.
Books, maps, engravings, etc	Free.	Free.
Brass and manufactures of, sheets and wire, 0.5 millimeter and less in thickness (G., I.)	10.00	9.00
Plated (silvered) wire, sheets, tablets, plates of copper and brass (G., I.)	30.00	20.00
Accumulators made of leaden plates with minium (S.)	20.00	8.00
All other goods of this tariff number (I., G.)	20.00	18.00
Toys, needles, buckles, hooks and eyes, buttons, thimbles, and similar small articles of use; also in connection with other materials, if not coming under leather or fancy goods with a higher tariff; bronze powder (G., I.)	50.00	30.00
All other wares of this tariff number (G., I.)	50.00	40.00
Metal cloths having from 20 to 40, inclusive, single-warp threads to 2 centimeters, writing pens, wire spun over with textile material (G., I.)	50.00	35.00
Bricks:		
Glazed bricks (G., I.)	.50	Free.
Tiles, unglazed or glazed, from Venetia, in the quantity limited in the convention with Italy against production of certificate of origin as frontier privilege (I.)	.50	Free.
Brooms and brushes:		
Brooms of saggina (broom corn), with or without handles (I., G.)	4.00	1.50
All others (G., I.)	15.00	8.00
Candles:		
Wax matches and stearin matches, inclusive of boxes (G., I.)	25.00	3.00
Wax candles, wax torches, wax tapers (G., I.)	25.00	12.00
Night candles in connection with swimmers of cork, card paper, or other material (G., I.)	25.00	15.00
Candles not especially enumerated, such as sperm, palm oil, or paraffin candles (G., I.)	11.00	9.00

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Carriages and horse cars, street vehicles, freight cars (G., I., S.)	7.00	6.50
Chemicals:		
Muriatic acid (G., I.)	.50	.30
Sulphuric acid, fluid, not smoking—so-called English (G., I.)	.75	.50
Potash, containing more than 85 per cent. of carbonate of potash (G., I.)	1.50	.80
Soluble glass (G., I.)	1.50	1.00
Bleaching lyes	3.00	1.50
Precipitated sulphate of barilla (artificial sulphate of barilla), cements of all kinds, carbonate of ammonia (G., I.)	3.00	2.00
Refined borax (G., I.)	3.00	2.50
Caustic hydrate of soda, sulphate of magnesium, zinc white (white oxide of zinc), zinc ashes (red oxide of zinc), hydrate of alumina in pieces (G., I.)	4.00	3.00
Solutions of caustic potash (hydrate of potassium) and caustic hydrate of soda, of sulphide of lime and sulphide of soda (G., I.)	4.00	1.50
Pyrolignite of lime and pyrolignite of alumina, tin ashes, tin salt, and other preparations of tin (G., I.)	6.00	3.00
Prussiate of potash, yellow and red (G., I.)	6.00	4.00
Pyrolignite of lead, sugar of lead (G., I.)	6.00	5.00
Clocks and watches:		
Pocket watches—		
With cases the smaller part of which is gold or gilt (S.) per piece	1.00	.75
With silver cases, gilt or parts of them gilt or plated (S.) per piece	1.00	.50
With other cases, gilt or parts of them gilt or plated (S.) per piece	1.00	.30
With silvered cases (S.) per piece	.50	.30
Cases for watches, the smaller part of which is gold or gilt (S.) per piece	.70	.45
Cases silvered, gilt, or with parts of them gilt or plated (S.) per piece	.70	.20
Other cases, gilt or with parts of them gilt or plated (S.) per piece	.70	.10
Silvered cases (S.) per piece	.20	.10
Other cases for watches (S.) do	.20	.10
Ordinary hanging clocks of wood, their works and furniture (I., G.)	50.00	40.00
Clocks with wooden cases (Schwazwalder Uhren), if not coming under the class of notions	100.00	40.00
Coal, turf, coke, etc	Free.	Free.
Cotton, manufactures of:		
Cotton yarns, single, raw, above (Nos. 29 to 50) No. 29 to 60 English (S.)	14.00	14.00
Above No. 60 (S.)	16.00	12.00
Yarns of three or more twisted threads, once twilled, raw for embroidering by special permit (S.)	24.00	18.00
Ordinary smooth cotton goods, i. e., textures of yarn No. 50 and below, 38 threads to a square of 5 millimeters or less, smooth, also singly twisted—		
(*a*) Raw (G., I., S.)	34.00	32.00
(*b*) Bleached (G., I., S.)	45.00	40.00
(*c*) Colored (G., I., S.)	55.00	50.00
(*d*) Woven in several colors, printed (G., I., S.)	70.00	60.00

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Cotton, manufactures of.—*Continued.*		
Ordinary figured cotton goods, i. e., textures of yarn No. 50 and below, 38 threads or less to a square of 5 millimeters, figured—		
(*a*) Raw (G., I., S.)	45.00	40.00
(*b*) Bleached (G., I., S.)	55.00	50.00
(*c*) Colored (G., I., S.)	65.00	60.00
(*d*) Woven in several colors, printed (G., I., S.)	80.00	70.00
Earthen, stone, and china ware:		
So-called Kelheim plates, rough, uncut; also plates of marble or alabaster, not cut (G., I.)	1.50	Free.
Other goods, not polished, of marble or alabaster (G., I.)	3.00	1.50
Polished plates—		
Of marble or alabaster (G., I.)	7.50	1.50
Of porphyry, granite, syenite, and similar hard stones (G., I.)	7.50	5.00
Roof slates and other slates (G., I., B.)	1.00	.25
Grind, whet, and lithographer's stones (G., I.)	.50	Free.
Artificially colored earths and stones, also cleared coloring earths; artificially formed whetstones, also artificially or naturally formed pumice stones; both, also, in connection with wood or iron, without varnish or polish (G., I.)	5.00	2.00
Tiles of common form, up to 5 kilograms each (G., I.)	.50	.25
All others (G., I.)	1.00	.75
Paving material and pipes of ordinary stoneware, also pipes of glazed clay (G., I.)	1.00	.50
Building ornaments (also of terra cotta), glazed and unglazed; ordinary stoves and parts thereof; unglazed wall and floor plates, with exception of the following (G., I.)	3.00	.50
Wall and floor plates, unglazed, figured by pressing together of different clay earths (G., I.)	3.00	1.50
Clay goods not otherwise provided for, one color or white (G., I.)	5.00	4.00
Crockery ware from Venetia of common, also purified, clay, glazed; also with coarse ornaments of flowers, etc., painted in several colors, through custom-houses furnished with samples against certificate of origin as frontier privilege to Italy (I.)	8.00	.50
Ordinary crockery ware of common clay, including toy crockery ware from St. Gall, Valley of the Rhine; also coarsely painted with flowers, etc., in one or more colors, through custom-houses furnished with samples against certificate of origin as frontier privilege to Switzerland (S.)	8.00	1.50
Porcelain—		
White (G., I., B.)	7.00	5.00
Colored, bordered, painted, printed, gilt, silvered (G., I.)	15.00	10.00
Clay ware in connection with other materials, if not coming under india rubber, leather, metal or fancy goods with a high tariff (G., I.)	15.00	12.00
Fish:		
Fresh river and creek crawfish; snails, fresh (G., I.)	2.00	Free.
Fish not otherwise provided for, salted, smoked, dried (G., I.)	5.00	3.00
All provisions in cans or bottles hermetically closed, excepting caviar (G., I.)	40.00	35.00
All provisions not especially enumerated (G., I.)	40.00	35.00
Meat extract:		
Solid, also hermetically closed (S.)	40.00	30.00
Liquid, also hermetically closed (S.)	40.00	15.00

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Condensed milk, children's food, children's milk food (containing sugar), also in cans, bottles, etc., hermetically sealed (S.)	40.00	20.00
Soup ingredients (of flour), French barley, grits, semolina of all kinds, ready for use; also with an admixture of condenced meat broth, vegetables, soup herb; and salt in packages, tablets, or rolls (S.)	40.00	15.00
Flax, hemp, and jute manufactures—embroidered woven goods (G., I.)	300.00	200.00
Fruits, preserved:		
Figs—		
Fresh (I., G.)	3.00	1.00
Dried (I., G.)	12.00	1.00
Lemons, limes, and oranges (I., G.)	8.00	Free.
Lemons, limes, and oranges preserved in salt water; oranges, green and small; lemon and orange peels (G., I.)	3.00	Free.
Dates, pistachio nuts (G., I.)	15.00	12.00
Almonds—		
Dried, peeled, or unpeeled (G., I.)	15.00	5.00
Green and unpeeled (G., I.)	6.00	1.50
Nuts of the Pineus pines, unpeeled; St. John's bread, chestnuts, lazernoli, tomatoes; olives, fresh, dried, or salted (G., I.)	3.00	2.00
Grapes, fresh, for table use, in lots up to 5 kilograms (G., I.)	10.00	2.00
Nuts or hazelnuts, dried or peeled (G., I.)	5.00	1.50
Fruit, not especially enumerated, with the exception of fruit jellies cooked with or without sugar (G., I.)	5.00	2.00
Lemon juice (G., I.)	5.00	Free.
Fried plums, fruit paste, boiled without sugar, as frontier privilege from Servia (Sv.)	5.00	1.50
Furs:		
Dressed, not made up, of common skins (G., I.)	10.00	6.00
Made up—		
Of common skins (G., I.)	80.00	60.00
Of fine skins, with the exception of artificial furs (G., I.)	200.00	150.00
Glass:		
Hollow glass, ordinary, i. e., uncut, without design, neither polished nor pressed, in its natural color, but not white (G., I., B.)	2.00	1.50
White, transparent (G., I., B.) ..... brutto	4.00	3.00
Hollow glass, white, transparent, cut, figured, frosted, pressed, etched, ground; solid white glass not otherwise provided for (I., G., B.)	8.00	6.00
Crystals for watches, glasses for spectacles, and other optical glasses, adjusted or ground (G., I.)	75.00	50.00
Bull's-eye window glass ..... gross	12.00	6.00
Glass, colored, excepting articles under tariff No. 240 and 241 (G., I.)	12.00	7.50
Little glass plates; buttons, with or without ears; pearls, enamel; drops, painted or silvered (G., I.)	12.00	7.50
Painted, gilt, or silvered glass, excepting the before-mentioned articles; glass paste (imitations of gems), not set (G., I.)	12.00	10.00
Glassware not specially mentioned, in connection with other materials, and not belonging to class of metals, leather, or notions (G., I.)	15.00	12.00
Venetian glass goods (enamel, drops, pearls, spun glass), in connection with caoutchouc, leather, and base metals, neither gilt nor silvered (I.)	15.00	12.00

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Glues of all kinds, gelatin, animal and vegetable jelly (G., I.)	6.00	4.00
Honey, as frontier privilege from Servia. (Sv.)	6.00	Free.
Hops and hop meal, lupulin (G., I.) ..... gross	10.00	7.00
India-rubber manufactures:		
Rubber goods out of soft rubber, excepting those under tariff Nos. 200, 201, 202 (G., I.)	30.00	25.00
Shoe elastics (G., I., S.)	70.00	50.00
Hard-rubber goods (G., I.)	50.00	40.00
Iron and steel manufactures:		
Crude iron; iron and steel, old, broken, and as waste (G., I.)	.80	.65
Lumps, ingots (G., I.)	1.60	1.50
Iron and steel, wrought or rolled into rods—		
Faconnist, shaped (G., I.)	3.50	3.00
Not faconnist, not shaped (G., I.)	2.75	2.50
Ingot slabs and wrought slabs (G., I.)	2.75	2.00
Railroad rails (G., I.)	2.75	2.50
Sheet iron and plates—		
In thickness from 1 millimeter down to 0.4 millimeter (G., I.)	5.00	4.75
Less than 0.4 millimeter thick (G., I.)	6.00	5.25
Dressed—		
1 millimeter thick and more (G., I.)	6.00	5.00
Less than 1 millimeter down to 0.4 millimeter in thickness (G., I.)	6.00	5.75
Less than 0.4 millimeter thick (G., I.)	7.00	6.50
Japanned, coppered, nickeled, tinned, or zincked, less than 0.4 millimeter (G., I.)	10.00	9.00
Designed, marbled, varnished:		
0.4 millimeter thick and more (G., I.)	12.00	8.00
Less than 0.4 millimeter (G., I.)	12.00	9.00
Rolled wire—		
More than 4 millimeters in diameter for wire factories, by special permit (G., I.)	4.00	3.00
Less than 0.5 millimeter in diameter (G., I.)	6.00	5.00
Less than 1.5 millimeters in diameter, by special permit (G., I.)	6.00	1.50
Varnished, coppered, tinned, zincked, leaded, nickeled:		
1.5 millimeters and more (G., I.)	8.00	6.00
Less than 1.5 millimeters in diameter (G., I.)	8.00	7.00
Iron ware—common, cast iron, polished, planed, coppered, tinned, zincked, or finely painted (G., I.)	8.50	8.00
Enameled cooking utensils of cast iron (G., I.)	8.50	6.50
Pipes of ordinary undressed cast iron, coated with asphalt (G., I., B., S.)	4.00	2.00
Common iron and steel ware out of malleable cast iron, cast steel, wrought iron and steel, coarsely painted, not bored—		
Partially polished, turned, also bolts and nuts (G., I., B., S.)	5.00	4.00
Polished, planed, turned, coppered, tinned, zincked, or finely painted (G., I., S.)	8.50	8.00
Wrought-iron pipes, also connecting pieces (G., I., S.)	6.50	6.00
Scythes and sickles, also in connection with wood (G., I.)	6.50	5.00
Perforated and sunken black sheet iron and plates; goods thereof not especially enumerated under tariff No. 261 *a* and *b* (G., I., S.)	6.00	5.50
Wrought-iron boilers and steam boilers (G., I., S.)	8 50	7.50

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Iron and steel manufactures—*Continued.*		
Goods of sheet iron not otherwise provided for, coppered, zincked, tinned, leaded, finely painted (G., I., S.)	15.00	12.00
Car wheels, finished, also on axles (G., I.)	6.00	5.50
Bands (hinges, bolts, etc.), springs for road vehicles; hay and dung forks weighing at least 2 kilograms each; hoes, shovels; all these rough and only partially polished, also in connection with wood (G., I.)	7.00	6.50
Polished saws, files, and rasps, under 25 centimeters long, planing and chiseling irons, awls, coarse knives and scissors for mechanics and agricultural use, tools of all kinds weighing each less than 500 grams, screws under 5 millimeters in diameter; all these in connection with other material if they do not come within the class of rubber, leather, or metal goods or notions (G., I., B., S.)	20.00	15.00
Light, artistic, and ornamental castings; rough, undressed parts for cutlery (only cast, pressed, or wrought); wire goods not otherwise provided for, also steel strings; goods in connection with other materials if not coming under tariff Nos. 271 or 272 (G., I.)	15.00	12.00
Polished, varnished, nickeled, enameled iron and steel goods, wire spun over with textile material, weavers' combs, scrapers, toys, skates, furniture upholstered or covered and finely ornamented (G., I.)	25.00	20.00
Scrapers of all kinds (B., S.)	25.00	20.00
Cutlery and hand (pocket) firearms (G., I.)	50.00	45.00
Hand (pocket) firearms (B.)	50.00	45.00
Pens, springs (excepting clock, watch, carriage, and furniture springs), pins, crochet and knitting needles, hooks and eyes, buckles, buttons, fishhooks, thimbles, and similar small articles, needles 5 centimeters long and over (G., I.)	50.00	30 00
Needles less than 5 centimeters long (G., I.)	100.00	50.00
Jewelry, jewels:		
Genuine or imitation coral goods, gold and silver ware of filigree work, objects of lava mounted with precious metals (G., I.)	300.00	200.00
Wire and sheets of precious metals (S.)	200.00	100.00
Genuine silvered leon wire (G., I.)	100.00	30.00
Steel frames for spectacles (G., I.)	100.00	50.00
Gilt or silvered upholsterer nails of iron or base metals are not to be declared in entering by convention according to tariff No. 309, but, without regard to their gilding and silvering, according to the material they are made of (S.).		
Leather and manufactures of:		
Sole leather and waste of same manufactured in Venetia and the province of Brescia, as frontier privilege under the conditions prescribed in the convention with Italy (I.)	18.00	8.00
Sole leather and waste of same (S.)	18.00	15.00
Japanned (patent) leather; Russian, crocodile, seal, and hog leather, genuine or imitation, colored; glove leather dyed black (G., I., B.)	18.00	9.00
Weavers' pickers and cups of raw, untanned hides (S.)	25.00	15.00
Leather belting for machinery (S.)	25.00	22.00

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by conversion, per 100 kilograms.
	Gold florins.	*Gold florins.*
Leather and manufactures of—*Continued.*		
Leather ware, fine, i. e., out of white or chamois leather, parchment, or out of fine leather, classed under tariff No. 215, and out of oil-cloth not otherwise provided for; saddlers' and pocketbook manufacturers' wares, bleached or colored and made out of material described under tariff No. 215 (G., I.)	35.00	32.50
Shoes of all kinds of leather or partly leather, if not classed under notions (G., I.)	35.00	32.50
Naval stores:		
Tar of all kinds, excepting brown coal and slate tar (G., I.)	.20	Free
Resin, ordinary, calophony; pitch, except coal-tar pitch (G., I.)	.50	Free
Coal-tar pitch (G., I.)	.50	.20
Resin oil (G., I.)	1.50	1.00
Oils:		
Olive oil, pure (I., G.)	8.00	2.40
Poppy, sesame, peanut, sunflower, and cotton oil, and all mixtures of olive oil with other fat oils (G., I.)	8.00	4.00
Linseed oil (G., I.)	4.00	2.40
Castor oil, if rendered totally unfit for human consumption, under official supervision on entry by custom-houses especially designated (G., I., S.)	4.00	.80
All volatile oils not otherwise provided for (G., I.)	25.00	15.00
Paraffin and wax—paraffin (G., I.)	6.00	5.00
Paints:		
Tar paints and artificially prepared organic matter for coloring (G., I., S.)	10.00	1.50
Lead pencils, red and colored crayons, set or not set (G., I.)	24.00	18.00
Acetic acid, concentrated (G., I.)	24.00	20.00
Paper, manufactures of:		
Blotting paper, coarse packing paper, uncolored (G., I., B.)	3.00	1.50
Tar and stone pasteboard, straw pasteboard (G., I., B.)	3.00	1.00
Ordinary pasteboard, except the above mentioned (G., I., B.)	3.00	.50
Packing paper, smooth or colored, varnished or tarred (G., I., B.)	3.00	1.50
Paper, common, unsized (coarse, gray, half white, and colored), all unsized printing paper (G., I., B.)	5 00	3.00
Paper not otherwise provided for (G., I.)	5.00	3.00
Lithographed, printed, or lined paper for labels, bills of lading, bills, etc.; drawing paper, gelatin paper, parchment paper, printers' pasteboard, many-colored paper (G., I., B.)	7.00	5.00
Wall paper (G., I.)	25.00	18.00
Gold and silvered paper and paper with gold and silver designs (genuine or imitation, also bronze), pressed or perforated paper, strips of same, paper and pasteboard lined with cotton (G., I.)	15.00	10.00
Moldings of paper pulp, asphalt, or similar material, neither painted nor varnished, also in connection with wood or iron (G., I.)	5.00	2.00
Paper ware, i. e., made out of paper pulp or wood fiber, also in connection with other material if not coming under tariff No. 195 or within the class of india rubber, leather, metal, and fancy goods; hat lining, also spun over with textile goods (G., I.)	15.00	12.00

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Paper, manufactures of—*Continued.*		
Luxury paper ware, fine boxes, labels and vignettes in different colors (chromolithographs), paper collars and cuffs: paper bookbinding, linen or cotton lined, also in connection with other material if not within the class of leather and fancy goods (G., I.)	30.00	18.00
Provisions:		
Strachino, gorgonzola, Parmesan cheese, as frontier privilege from Italy (I.)	20.00	5.00
Hard cheese in loaves weighing 50 kilograms or more (S.)	20.00	5.00
All other cheese (G., I.)	20.00	10.00
Seeds—caraway seed, fennel, clover seed, seeds not otherwise provided for, except anise and coriander and mustard seed ground (G., I.)	.50	Free.
Soap—common soap and Turkish red oil (G., I., S.)	4.00	2.50
Spirits—rakia, when imported from Servia over the frontier as frontier privilege, exclusive of consumption tax (Sv.)	60.00	3.20
Wood, manufactures of:		
Bronzed, gilt, or silvered slats and frames (G., I.)	15.00	12.00
Furniture of bent wood with ornamented pressed parts of furniture; also seats, etc. (G., I.)	15.00	5.00
Basket work—		
Common, neither colored, stained, varnished, polished, nor in connection with other materials (G., I.)	5.00	1.50
Fine, if not coming under notions (G., I.)	50.00	25.00
Wooden toys, fine (G., I.)	20.00	12.00
Zinc:		
Crude or old, broken, waste (G., I.)	1.00	Free.
In bars and sheets or plates (G., I.)	3.00	1.50
In wires and pipes, coarse zinc castings not worked, also in connection with ordinary woodwork, and bars or sheets of iron; grooved or perforated plates and sheets (G., I.)	5.00	3.00
Miscellaneous:		
Rice, hulled and broken rice (G., I.)	2.00	1.50
Fresh flowers and leaves cut off (G., I.)	5.00	Free.
Live plants (G., I.)	1.50	.50
Chicory root, dried, not roasted (G., I., B.)	1.50	.75
Plants and parts of plants, not otherwise provided for, dried or prepared, powdered or otherwise reduced in size, colored (G., I.)	2.50	Free.
Eggs of fowls (G., I.)	1.50	Free.
Servian wines in casks, as frontier privilege (Sv.)	20.00	3.20
Sparkling wines (F.)	50.00	40.00
Vinegar, for table use, in casks (G., I.)	5.00	4.00
Dough products, i. e., vermicelli and similar farinaceous products not baked, according to the then-prevailing duty on flour (G., I.)	10.00	3.75
Sausages (G., I.)	25.00	16.00
Cocoa, ground or in bulk; chocolate; substitutions for and manufactures of chocolate (S.)	60.00	45.00
Earths for coloring (G., I.)	1.00	.50
Licorice juice (G., I.)	6.00	4.00
Asphalt mastic, asphalt bitumen (S.)	1.50	1.00

ARTICLES.	General tariff duty per 100 kilograms.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Miscellaneous—*Continued.*		
Copal resin, dammar resin, shellac, gum arabic, gum gedda, gum Senegal, gamboge, gum tragacanth, gums, resins, and gum resins, natural balsams, and juices of plants not otherwise provided for (G., I.)	1.50	Free.
Cotton goods—		
Ordinary close, i. e., textures of yarn No. 50 and below, with more than 38 threads to a square of 5 millimeters—		
(*a*) Raw (G., I., B., S.)	55.00	50.00
(*b*) Bleached (G., I., B., S.)	65.00	60.00
(*c*) Colored (G., I., B., S.)	75.00	70.00
(*d*) Woven in several colors, printed (G., I., B., S.)	90.00	80.00
Fine, i. e., texture of yarn above No. 50 up to No. 100, inclusive—		
Raw (G., I., S.)	80.00	70.00
For embroidering, by special permit (S.)	80.00	35.00
Bleached, colored, woven or printed in several colors (G., I., S.)	120.00	100.00
Finest, i. e., textures of yarn above No. 100—		
Tulles (bobbinets, pelinets, curtain stuffs, and furniture nettings of this kind); goods in connection with metallic threads (G., I.)	160.00	140.00
Raw, plain tulle, for embroidering, by special permit (S.)	160.00	35.00
Raw, plain textures of yarn above No. 100 for embroidering, by special permit (S.)	160.00	70.00
Stiff netting—bobbinet (G., I.)	55.00	50.00
Embroidered curtains (Rideaux, stores, vilrages, covers for furniture) out of cotton (S.)	300.00	150.00
Other embroidered woven goods (S.)	300.00	200.00
Laces (G., I., S.)	300.00	225.00
Knit goods (G., I., S.)	90.00	75.00
Cotton velvets and velvet-like fabrics (cut or uncut), ribbons, fringes, buttons (G., I.)	90.00	85.00
Wool yarns not otherwise provided for, raw—		
Simple above No. 45 metric (G., I., B., S.)	12.00	10.00
Simple, bleached, colored, printed, above No. 45 metric (G., I., B.)	16.00	14.00
Double or more threaded above No. 45 metric (G., I., B.)	20.00	16.00
Woolen velvets and velvet-like fabrics (cut or uncut), ribbons, fringes, buttons, and knit goods (G., I.)	100.00	85.00
Silk, reeled, also twisted, white or colored, or in connection with other spinning materials (S.)	50.00	35.00
Floss silk (silk waste, spun), also twisted, colored, or in connection with other materials for spinning (S.)	50.00	35.00
Sewing silk, buttonhole silk, etc., made white or colored; thread of all kinds adjusted for the retail trade (S.)	50.00	35.00
Silk bolting cloth (S.)	500.00	200.00
Silk goods embroidered or with metal threads—tulles, gause, blonds, laces (lace handkerchiefs), trimmings of silk and half-silk, cords, "biesen," chenille, etc., ready made (S.)	500.00	400.00
Goods entirely made of silk or floss silk, buttons, and fringes (G., I.)	400.00	300.00
Smooth fabrics and "armures," to the extent fixed by the convention with Switzerland (G., I., S.)	500.00	200.00
Other goods made entirely of silk (G., I., S.)	500.00	400.00

ARTICLES.	General tariff duty per 100 kilo grams.	Duty lowered by convention, per 100 kilograms.
	Gold florins.	*Gold florins.*
Miscellaneous—*Continued.*		
Half-silk goods, i. e., all goods not enumerated under tariff No. 168, containing, besides silk and floss silk, other spinning materials—		
Velvets and velvet ribbons (G., I.)	400.00	300.00
Other half-silk goods (G., I., B.)	250.00	225.00
Hats of straw, chips, cane, bast, reeds, whalebone, palm leaves—		
Not trimmed, per piece (G., I.)	.20	.10
Rough, not trimmed, as frontier privilege from Venetia, per piece (I.)	.20	.02
Trimmed, per piece (G., I.)	.40	.20
Bonnets of felt, ornamented, per piece (G., I.)	.50	.40
Cloaks and wrappers for ladies, of woolen goods, with trimmings (tringes, lining, etc.), of silk goods, as enumerated under tariff Nos. 168, 169, 170 (G., I.)	40 per ct	250.00
Wooden sieves, finished with bottoms of wickerwork or iron wire; wooden sieve bottoms (G., I.)	15.00	8.00
Fine brushes of prepared, bleached, and polished hair and bristles, also such of yarn in connection with other materials if not coming under india rubber, leather, bone, metal, or fancy goods, with a higher tariff (G., I.)	30.00	20.00
Straw bands (straw braids of all kinds in form of bands), without connection with other materials (G., I., S.)	15.00	2.00
Braids of chips for sieve bottoms, hats, table covers, etc.—		
Not colored (G., I.)	15.00	.50
Colored (G., I.)	15.00	5.00
Wax cloth, not otherwise provided for, also wax muslin in so-called bookbinders' cloth (G., I.)	30.00	25.00
Buttons of bone and horn (G., I.)	50.00	25.00
Slate pencils covered with paper (G.)	15.00	3.00
Portable engines (G., I., B., S.)	8.50	8.00
Sewing and knitting machines—		
Frames of, also taken apart (G., I.)	8.50	6.00
Tops, finished parts of same, except needles (G., I., S.)	30.00	25.00
Parts of tops, unfinished, also roughly cast; sewing and knitting machines with frames (G., I., S.)	20.00	15.00
Opera glasses (G., I.)	200.00	125.00
Pianos, parlor organs, and similar key instruments, with the exception of church organs (G., I.)	40.00	20.00
Children's toys and goods not otherwise provided for, in connection with silk goods, laces, artificial flowers, and prepared ornamental feathers (G., I.)	100.00	75.00
Imitations of gold and silver leaf (G., I.)	50.00	40.00
Umbrellas and parasols—		
Of silk or half silk (G., I.)	.70	.50
Of other material (G., I.)	.30	.25
Trimmed with ribbons, embroideries, volants, etc. (G., I.)	1.00	.70
Tartaric acid, chloride of potash (G., I.)	10.00	6.00
Chloride of zinc, also liquid (G., I.)	10.00	2.00
Hydrogen oxide, watery solutions of sulphuric acid (G., I.)	10.00	1.50
Articles of tariff Nos. 117, 322, 330, 331, for dry distillation of coal tar to be used for the manufacture of tar paints, by special permit (G., I.)	10.00	Free.
Matches (G., I.)	7.00	5.00
Lunts, manufactured, without admixture of powder (G., I.)	24.00	15.00

AUSTRIA-HUNGARY.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1888	8,683,528	332,826
1889	7,642,297	726,052
1890	9,331,378	948,353
1891	11,595,310	1,311,083
1892	7,718,565	1,527,980
1893	10,054,501	571,037
1894	6,896,341	527,509
1895	6,510,319	2,125,772
1896	7,644,154	2,439,651
1897	8,158,328	4,023,011
1898	4,716,510	5,697,912

[1] Treaty period May 26, 1892-August 27, 1894.

B.—TREATIES IN FORCE.

XIII.

RECIPROCITY WITH GERMANY; SIGNED JULY 13, 1900.

By the President of the United States of America.

A PROCLAMATION.

Whereas the German Government has entered into a commercial agreement with the United States in conformity with the provisions of the third section of the tariff act of the United States approved July 24, 1897, by which agreement in the judgment of the President reciprocal and equivalent concessions are secured in favor of the products of the United States:

Therefore, be it known that I, William McKinley, President of the United States of America, acting under the authority conferred by said act of Congress, do hereby suspend during the continuance in force of said agreement the imposition and collection of the duties imposed by the first section of said act upon the articles hereinafter specified, being the products of the soil and industry of Germany; and do declare in place thereof the rates of duty provided in the third section of said act to be in force and effect from and after the date of this proclamation, as follows, namely:

Upon argols, or crude tartar, or wine lees, crude, five per centum ad valorem.

Upon brandies, or other spirits manufactured or distilled from grain or other materials, one dollar and seventy-five cents per proof gallon.

Upon still wines, and vermuth, in casks, thirty-five cents per gallon; in bottles or jugs, per case of one dozen bottles or jugs containing each not more than one quart and more than one pint, or twenty-four bottles or jugs containing each not more than one pint, one dollar and twenty-five cents per case, and any excess beyond these quantites found in such bottles or jugs shall be subject to a duty of four cents per pint or fractional part thereof, but no separate or additional duty shall be assessed upon the bottles or jugs.

Upon paintings in oil or water colors, pastels, pen and ink drawings, and statuary, fifteen percentum ad valorem, of which the officers and citizens of the United States will take due notice.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this thirteenth day of July, A. D. one thousand nine hundred, and of the Independence of the United States of America the one hundred and twenty-fifth.

[SEAL.] William McKinley.

By the President:

John Hay, *Secretary of State.*

GERMANY.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1895	.....	.....
1896	.....	.....
1897	.....	.....
1898	.....	.....
1899	84,225,777	155,772,179
1900	97,374,700	187,347,889
1901	100,445,902	191,780,427

[1] July 13, 1900, still in force.

XIV.

RECIPROCITY WITH PORTUGAL; SIGNED JUNE 12, 1900.

By the President of the United States of America.

A PROCLAMATION.

Whereas His Most Faithful Majesty the King of Portugal and the Algarves has entered into a reciprocal commercial agreement with the United States of America pursuant to and in accordance with the provisions of section 3 of the tariff act of the United States approved July 24, 1897, which agreement is in the English text in the words and figures following, to wit:

"The President of the United States of America and His Most Faithful Majesty the King of Portugal and of the Algarves, equally animated by the desire to confirm the good understanding existing between them and to increase the commercial intercourse of the two countries, have deemed it expedient to enter into a reciprocal commercial agreement to that end; and they have appointed as their plenipotentiaries for that purpose, to wit:

"The President of the United States of America, the Hon. John A. Kasson, special commissioner plenipotentiary; and His Most Faithful Majesty, the Viscount de Santo-Thyrso, His Majesty's envoy extraordinary and minister plenipotentiary at Washington.

"Who, after an exchange of their respective full powers, found to be in due and proper form, have agreed upon the following articles:

"Article I. Upon the following articles of commerce, being the product of the soil or industry of Portugal or of the Azores and Madeira Islands, imported into the United States the present rates of duty shall be reduced and shall hereafter be as follows, namely:

"Upon argols, or crude tartar, or wine lees, five per centum ad valorem.

"Upon still wines in casks, thirty-five cents per gallon; in bottles, per case of one dozen bottles, containing each not more than one quart and more than one pint, or twenty-four bottles containing not more than one pint, one dollar and twenty-five cents per case; and any excess beyond these quantities found in such bottles shall be subject to a duty of four cents per pint or fractional part thereof, but no separate or additional duty shall be assessed upon the bottles.

"Upon sparkling wines, in bottles containing not more than one quart and more than one pint, six dollars per dozen; containing not more than one pint each and more than one-half pint, three dollars per dozen; containing one-half pint each or less, one dollar and fifty cents per dozen; in bottles or other vessels containing more than one quart each, in addition to six dollars per dozen bottles, on the quantities in excess of one quart, at the rate of one dollar and ninety cents per gallon.

"Upon brandies or other spirits manufactured or distilled from grain or other

materials, whether the product of Portugal or of the Portuguese possessions, one dollar and seventy-five cents per proof gallon.

"Upon paintings in oil or water colours, pastels, pen and ink drawings, and statuary, fifteen per centum ad valorem.

"ARTICLE II. Reciprocally and in consideration of the preceding concessions, upon the following articles of commerce being the products of the soil or industry of the United States imported into the Kingdom of Portugal and the Azores and Madeira Islands, the rates of duty shall be as low as those accorded to any other country (Spain and Brazil being excepted from this provision) namely:

"Flour of cereals, except wheat; maize in the grain; wheat in the grain; lard and grease; mineral oils, and their products not elsewhere specified in the tariff; reaping, mowing, and thrashing machines, machines for compressing hay and straw, steam plows, and separate parts of these machines and plowshares; instruments, implements, and tools for the arts, manufactories, agriculture, and gardening; and upon the following articles shall not exceed the rates hereinafter stated, namely:

"Upon the foregoing machines and articles described in No. 373, five reis per kilogram.

"Upon the instruments, implements, and tools described above in No. 386, for use in agriculture and gardening, sixty reis per kilogram.

"Upon lighter mineral oils for illuminating purposes (density of 0.780 up to 0.820; point of ignition from 37° up to 49°), forty-six reis per litre.

"Upon medium mineral oils (density above 0.820 and up to 0.860; point of ignition from 50° up to 150°), fifty-two reis per kilogram.

"Upon tar and mineral pitch, ten reis per ton.

"ARTICLE III. It is mutually understood that His Most Faithful Majesty's Government reserves the right, after three months prior notification to the United States Government of its intention to do so, to arrest the operation of this convention in case the United States shall hereafter impose a duty upon crude cork or coffee, being the product of Portugal or of the Portuguese possessions, or shall give less favorable treatment to the following articles, being the product of Portugal or of her possessions, than that accorded to the like articles, being the product of any other country not under the control of the United States, namely: Argols, crude tartar or wine lees, coffee, cacao, wines, brandies, cork (raw or manufactured), sardines and anchovies preserved, and fruits not preserved; but in respect to fruits the United States reserves the right to make special arrangements applicable to any of the West India Islands.

"ARTICLE IV. This agreement shall be ratified by His Most Faithful Majesty so soon as possible, and upon official notice thereof the President of the United States shall issue his proclamation, giving full effect to the provisions of Article I. of this agreement. From and after the date of such proclamation this agreement shall be in full force and effect, and shall continue in force for the term of five years thereafter, and if not then denounced by either party shall continue in force until one year from the time when one of the parties shall have notified the other of its intention to arrest the operation thereof.

"Done at Washington the twenty-second day of May in the year one thousand eight hundred and ninety-nine.

"JOHN A. KASSON. [SEAL.]
"Visconde de SANTO THYRSO. [SEAL.]"

And whereas said convention has been duly ratified on the part of His Most Faithful Majesty, official notice whereof has been received by the President,

Now, therefore, be it known that I, William McKinley, President of the United States of America, acting under the authority conferred by said act of Congress, do hereby suspend during the continuance in force of said agreement the imposition and collection of the duties mentioned in the first section of said act and heretofore collected upon the specified articles of Portuguese origin as described in said agreement, and do declare in place thereof the rates of duty provided in the third section of said act as recited in said agreement to be in full force and effect from and after the date of this proclamation, of which the officers and citizens of the United States will take due notice.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this twelfth day of June, A. D. one thousand nine hundred, and of the Independence of the United States of America the one hundred and twenty-fourth.

[SEAL.] WILLIAM MCKINLEY.

By the President:

JOHN HAY, *Secretary of State.*

PORTUGAL.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1895	1,690,668	2,971,396
1896	2,255,731	3,156,991
1897	2,234,291	2,520,058
1898	2,605,370	3,532,057
1899	2,975,504	4,132,400
1900	3,743,216	5,886,542
1901	3,370,430	5,294,240

[1] Treaty period, June 12, 1900—still in force.

XV.

RECIPROCITY WITH ITALY; SIGNED JULY 18, 1900.

By the President of the United States of America.

A PROCLAMATION.

Whereas His Majesty the King of Italy has entered into a reciprocal commercial agreement with the United States of America pursuant to and in accordance with the provisions of section 3 of the tariff act of the United States approved July 24, 1897, which agreement is in the English text in the words and figures following, to wit:

"The President of the United States of America and His Majesty the King of Italy, mutually desirous to improve the commercial relations between the two countries by a special agreement relative thereto, have appointed as their plenipotentiaries for that purpose, namely:

"The President of the United States of America, the Hon. John A. Kasson, special commissioner plenipotentiary, etc., and His Majesty the King of Italy, his excellency the Baron S. Fava, senator of the Kingdom, his ambassador at Washington, etc., who being duly empowered thereunto have agreed upon the following articles:

"Article I. It is agreed on the part of the United States, pursuant to and in accordance with the provisions of the third section of the tariff act of the United States approved July 24, 1897, and in consideration of the concessions hereinafter made on the part of Italy in favor of the products and manufactures of the United States, that the existing duties imposed upon the following articles, being the product of the soil or industry of Italy, imported into the United States shall be suspended during the continuance in force of this agreement, and in place thereof the duties to be assessed and collected thereon shall be as follows, namely:

"On argols, or crude tartar, or wine lees, crude, five per centum ad valorem.

"On brandies or other spirits manufactured or distilled from grain or other materials, one dollar and seventy-five cents per proof gallon.

"On still wines, and vermuth, in casks, thirty-five cents per gallon; in bottles or jugs, per case of one dozen bottles or jugs containing each not more than one quart and more than one pint, or twenty-four bottles or jugs containing each not more than one pint, one dollar and twenty-five cents per case, and any excess beyond these quantities found in such bottles or jugs shall be subject to a duty of four cents per pint or fractional part thereof, but no separate or additional duty shall be assessed upon the bottles or jugs.

"On paintings in oil or water colors, pastels, pen and ink drawings, and statuary, fifteen per centum ad valorem.

"Article II. It is reciprocally agreed on the part of Italy, in consideration of the provisions of the foregoing article, that so long as this convention shall remain in force the duties to be assessed and collected on the following described merchandise, being the product of the soil or industry of the United States, imported into Italy shall not exceed the rates hereinafter specified, namely:

ARTICLES.	Per quintal.
	Lire.
Upon cotton-seed oil	21.50
Upon fish, pickled or in oil, excluding the tunny, preserved in boxes or barrels, sardines and anchovies	15.00
Upon other fish, preserved	25.00
Upon agricultural machinery	9.00
Upon detached parts of agricultural machinery:	
(1) Of cast iron	10.00
(2) Of other iron or steel	11.00
Upon scientific instruments:	
(*a*) Of copper, bronze, brass, or steel—	
(1) With spyglasses or microscopes, or graduated scales or circles, spyglasses for use on land, monocles, binocles, lenses, detached and mounted	30.00
(2) Not provided with any optical instrument, nor with graduated scales or circles	30.00
(*b*) Of all kinds, in the construction of which iron is evidently predominant	30.00
Upon dynamo-electrical machines:	
(1) The weight of which exceeds 1,000 kilograms	16.00
(2) Weighing 1,000 kilograms or less	25.00
Upon detached parts of dynamo-electrical machines	25.00
Upon sewing machines:	
(1) With stands	25.00
(2) Without stands	30.00
Upon varnishes, not containing spirits nor mineral oils	20.00

"The following articles shall be admitted free of duty:

"Turpentine oil; natural fertilizers of all kinds; skins, crude, fresh or dried, not suitable for fur; and fur skins.

"ARTICLE III. This agreement is subject to the approval of the Italian Parliament. When such approval shall have been given, and official notice shall have been given to the United States Government of His Majesty's ratification, the President shall publish his proclamation, giving full effect to the provisions contained in Article I. of this agreement. From and after the date of such proclamation this agreement shall be in full force and effect, and shall continue in force until the expiration of the year 1903, and if not denounced by either party one year in advance of the expiration of said term shall continue in force until one year from the time when one of the high contracting parties shall have given notice to the other of its intention to arrest the operation thereof.

"In witness whereof we, the respective plenipotentiaries, have signed this agreement, in duplicate, in the English and Italian texts, and have affixed thereunto our respective seals.

"Done at Washington, this eighth day of February, A. D. one thousand and nine hundred.

"JOHN A. KASSON. [SEAL.]
"FAVA. [SEAL.]"

And whereas said convention has been duly ratified on the part of His Majesty the King of Italy, official notice whereof has been received by the President.

Now, therefore, be it known that I, William McKinley, President of the United States of America, acting under the authority conferred by said act of Congress, do hereby suspend during the continuance in force of said agreement the imposition and collection of the duties mentioned in the first section of said act and heretofore collected upon the specified articles of Italian origin as described in said agreement, and do declare in place thereof the rates of duty provided in the third section of said act as recited in said agreement to be in full force and effect from and after the date of this proclamation, of which the officers and citizens of the United States will take due notice.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this eighteenth day of July, A. D. one thou-

sand nine hundred, and of the Independence of the United States of America the one hundred and twenty-fifth.

[SEAL.] WILLIAM MCKINLEY.

By the President:

JOHN HAY, *Secretary of State.*

ITALY.[1]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	*Dollars.*
1895	20,851,761	16,363,125
1896	22,142,487	19,143,606
1897	19,067,352	21,502,423
1898	20,332,637	23,290,858
1899	24,832,746	25,034,940
1900	27,924,176	33,256,620
1901	24,618,384	34,473,189

[1] Treaty period, July 18, 1900—still in force.

C.—TREATIES SIGNED AND AWAITING RATIFICATION.

XVI.

CONVENTION FOR BARBADOS; SIGNED JUNE 16, 1899.

[Unratified.]

The President of the United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, animated by a common desire to improve the conditions of trade between the United States and Her Britannic Majesty's colony of Barbados, have appointed for that purpose their respective plenipotentiaries, namely:

The President of the United States of America, Hon. John A. Kasson, special commissioner plenipotentiary, and Her Britannic Majesty, Reginald Tower, Her Britannic Majesty's chargé d'affaires at Washington, who, in consideration of and in compensation for the respective concessions and engagements made by each as hereinafter recited, have agreed, and do hereby agree, upon the following articles for the regulation and government of the reciprocal trade aforesaid:

ARTICLE I. During the term of this convention the hereinafter-designated articles of merchandise being the product of the soil or industry of the United States imported into the said colony of Barbados and the hereinafter-designated articles of merchandise the product of the soil or industry of said colony imported into the United States shall be admitted upon the conditions set forth in the following schedule, namely:

SCHEDULE.

The following articles the product of the soil or industry of Barbados imported into the United States shall be admitted at a reduction of twelve and one-half per centum of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, viz:

Cane sugars and molasses; fruit, fresh; vegetables, fresh; asphalt or manjack.

The following articles the product of the soil or industry of the United States, shall be admitted into the said colony free of duty:

Bran, pollard; candles of tallow; carts and vehicles; clocks; corn brooms; corn or maize; corn meal; cotton seed oil; cycles and parts; eggs; hay; horses; lamps; machinery for electric lighting; mules; pitch and tar; rosin; tallow; wire fencing.

The following articles the product of the soil or industry of the United States shall be admitted at a rate of duty not exceeding five per centum on value:

Fruits and vegetables, fresh, dried, canned or preserved; fish, tinned or canned;

clothing and wearing apparel made of cotton; earthen and glass ware; hardware and cutlery; furniture and unholstery; wooden and willow ware; wooden hoops.

The following articles the product of the soil or industry of the United States shall be admitted at rates of duty not exceeding the following:

Bread and biscuits, not fancy or in tin, $0.12 per 100 pounds; cheese, $0.96 per 100 pounds; flour of wheat, $0.60 per barrel; lard and its compounds and substitutes, $0.48 per 100 pounds; meats, ham, bacon, tongues, canned or preserved meat, $0.60 per 100 pounds; beef or pork, salted or pickled, $0.36 per 200 pounds; oil meal and cake, $0.12 per 100 pounds; oleomargarine, $0.24 per 100 pounds; butter, $0.36 per 100 pounds; beer, lager only, $0.06 per gallon, $0.12 per dozen quarts; wines, dry, in casks, value not exceeding 45 cents per gallon (U. S.), sweet, in casks, value not exceeding 65 cents per gallon (U. S.), 20 per cent. ad valorem: lumber, yellow or pitch pine, $1 per M feet; tobacco, unmanufactured in packages of not less than 50 pounds, $0.22 per pound.

Article II. It is further understood that the said colony will not during the term of this convention increase its duties upon oats, coal, or shingles being products of the United States; but upon other dutiable merchandise imported and not specially provided for in this convention the colony reserves the right to increase the duties not exceeding fifty per centum thereof without any discrimination thereby against exports of the United States; and that for the same period such articles as are admitted free of duty in the said colony shall so remain so far as the same are products of the United States. It is equally understood that articles the product of the soil or industry of said colony which are by the tariff act of the United States approved July 24, 1897, admitted free of duty shall so remain so far as the same are products of the said colony; and that the duties imposed by said act so far as the same are applicable to the products of said colony shall not be increased during the continuance in force of this convention.

It is also mutually understood that the usual and proper packages or coverings in which articles of merchandise are imported shall be exempt from duty.

It is further agreed that should said colony concede to any country upon the products of its soil or industry a lower rate of duty than that herein stipulated for the like products of the United States, such lower rate shall be immediately applied to the like products of the soil or industry of the United States imported into such colony.

Article III. No export duties or other charges upon exportation, whether authorized by national, state, colonial, or municipal authority, shall be imposed or collected in either country upon any articles of merchandise included within the provisions of this convention; and no import duty or other charge upon the importation into either country of the articles aforesaid, other than that herein expressly recognized, shall be imposed or collected upon the articles of merchandise herein provided for being the product of the soil or industry of the United States or of the colony of Barbados, respectively, it being the intention of both the high contracting parties that no additional duty or tax or charge of any kind, direct or indirect, other than that herein expressly authorized, shall be imposed by the national or any local authority upon the merchandise embraced in the provisions of this convention prior to its entering into consumption in the respective countries.

Article IV. In return for the preferential rates of duty herein granted to the said colony by the United States it is agreed that the rates herein granted on the part of the said colony to the products of the United States shall continue during the term of this convention preferential in respect to all like imports from other countries, with the exception of Great Britain and the British possessions, and of such other countries as shall be entitled by convention with Great Britain to the benefit of the most-favored-nation treatment. In the case of these last-mentioned countries such exceptions shall cease to apply when said conventional right shall be terminated.

Article V. The present convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty, and the ratification shall be exchanged at Washington as soon as may be within twelve months from the date hereof, and the convention shall go into effect immediately thereafter, and shall continue in force for the term of five years from date of such exchange of ratifications, and from year to year thereafter until the expiration of one year from the time when either of the high contracting parties shall give notice to the other of its intention to terminate the same.

In witness whereof we, the respective plenipotentiaries, have signed the same, and have affixed our respective seals.

Done in duplicate at Washington this sixteenth day of June, in the year one thousand eight hundred and ninety-nine.

(Signed) John A. Kasson. [seal.]
(Signed) Reginald Tower. [seal.]

XVII.

CONVENTION FOR BRITISH GUIANA; SIGNED JULY 18, 1899.

[Unratified.]

The President of the United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, animated by a common desire to improve the conditions of trade between the United States and Her Britannic Majesty's colony of British Guiana, have appointed for that purpose their respective plenipotentiaries, namely:

The President of the United States of America, the Hon. John A. Kasson, special commissioner plenipotentiary, etc., and Her Britannic Majesty, Reginald Tower, Her Britannic Majesty's chargé d'affaires at Washington, who, in consideration of and in compensation for the respective concessions and engagements made by each as hereinafter recited, have agreed and do hereby agree upon the following articles for the regulation and government of the reciprocal trade aforesaid:

ARTICLE I. During the term of this convention the hereinafter designated articles of merchandise, being the product of the soil or industry of the United States imported into the said colony of British Guiana, and the hereinafter designated articles of merchandise, the product of the soil or industry of said colony imported into the United States, shall be respectively admitted upon the conditions set forth in the following schedule, namely:

SCHEDULE.

The following articles, the product of the soil or industry of British Guiana, imported into the United States, shall be admitted at a reduction of 12½ per centum of the rates of duty thereon, as provided by the tariff act of the United States approved July 24, 1897, viz:

Cane sugars; vegetables, fresh; kaolin.

The following articles, the product of the soil or industry of the United States, shall be admitted into the said colony free of duty:

Bran; pollard; candles of tallow; carts and vehicles; clocks; corn brooms; corn or maize; corn meal; cotton-seed oil; cycles or parts; eggs; hay; horses; lamps; machinery for electric lighting, and machinery and implements for mining, for agriculture, and for the manufacture of sugar; mules; pitch and tar; rosin; tallow; wire fencing.

The following articles, the product of the soil or industry of the United States, shall be admitted at a rate of duty not exceeding 5 per centum on the value:

Fruits and vegetables, fresh, dried, canned, or preserved; fish, tinned or canned; ready-made clothing and wearing apparel made of cotton; earthen and glass ware; hardware (metallic) and cutlery; furniture and upholstery; wooden and willow ware for domestic purposes; wooden hoops.

The following articles, the product of the soil or industry of the United States, shall be admitted at rates of duty not exceeding the following:

Bread and biscuit, not fancy or in tin, $0.15 per 100 pounds; cheese, $1 per 100 pounds; flour of wheat, $0.60 per barrel; lard and lard compounds containing not more than 2 per cent. of water, $0.50 per 100 pounds; meats, ham, bacon, tongues, canned or preserved meat, $0.50 per 100 pounds; beef or pork, salted or pickled, $0.40 per 200 pounds; oil meal and cake, $0.12½ per 100 pounds; oleomargarine, $0.20 per 100 pounds; butter, $0.40 per 100 pounds; beer, lager only, $0.08 per gallon or $0.20 per dozen reputed quarts; wines, not exceeding 65 cents in value per gallon (U. S.), containing not more than 32 per cent. proof spirit, $0.40 per gallon; lumber, yellow or pitch pine, $1 per M feet; tobacco, unmanufactured, in packages containing not less than 800 pounds, and not less than 10 per centum of moisture, $0.55 per pound.

ARTICLE II. It is further agreed that the said colony will not, during the term of this convention, increase its present duties upon oats, coal, or shingles being the product of the soil or industry of the United States; but upon other dutiable merchandise imported and not specially provided for in this convention the said colony reserves the right to increase the duties not exceeding fifty per centum thereof without any discrimination thereby against exports of the United States; and that for the same period such articles as are at the date hereof, admitted free of duty in the said colony shall so remain, so far as the same are products of the United States. It is equally understood that articles the product of the soil or industry of said colony which are by the tariff act of the United States approved July 24, 1897, admitted free of duty shall so remain so far as the same are products of the said colony; and that the duties imposed by said act, so far as the same are

applicable to the products of said colony, shall not be increased during the continuance in force of this convention.

It is also mutually understood that no separate import duty shall be charged on the usual and proper packages or coverings inclosing articles of merchandise of either country imported into the other.

It is further agreed that should said colony concede to any country upon the products of its soil or industry a lower rate of duty than that herein stipulated for the like products of the United States, such lower rate shall be immediately applied to the like products of the soil or industry of the United States imported into said colony.

ARTICLE III. No export duties or other charges upon exportation, whether authorized by national, State, colonial, or municipal authority, shall be imposed or collected in either country upon any articles of merchandise included within the provisions of this convention; and no import duty or other charge upon the importation into either country of the articles aforesaid, other than that herein expressly recognized, shall be imposed or collected upon the articles of merchandise herein provided for, being the product of the soil or industry of the United States or of the colony of British Guiana, respectively; it being the intention of both the high contracting parties that no additional duty or tax or charge of any kind, direct or indirect, other than that herein expressly authorized, shall be imposed by the national or any local authority upon the merchandise embraced in the provisions of this convention, prior to its entering into consumption in the respective countries.

ARTICLE IV. In return for the preferential rates of duty herein granted to the said colony by the United States it is agreed that the rates herein granted on the part of the said colony to the products of the United States shall continue during the term of this convention preferential in respect to all like imports from other countries, with the exception of Great Britain and the British Possessions, and of such other countries as shall be entitled by convention with Great Britain to the benefit of the most favored nation treatment. In the case of these last mentioned countries such exceptions shall cease to apply when said conventional right shall be terminated.

ARTICLE V. The present convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty, and the ratifications shall be exchanged at Washington as soon as may be within eight months from the date hereof, and the convention shall go into effect immediately thereafter; and shall continue in force for the term of five years from the date of such exchange of ratifications; and if neither party shall, twelve months before the expiration of said term, notify the other of its intention to terminate the same at that date it shall continue in force from year to year thereafter until the expiration of one year from the time when either of the high contracting parties shall give notice to the other of its intention to arrest the operation thereof.

In witness whereof we, the respective plenipotentiaries, have signed the same and have affixed our respective seals.

Done in duplicate at Washington, this eighteenth day of July, A. D. one thousand eight hundred and ninety-nine.

JOHN A. KASSON. [SEAL.]
REGINALD TOWER. [SEAL.]

ADDITIONAL ARTICLE.

It is mutually understood by the high contracting parties that should the legislative authority of the United States, or of said colony, respectively, during the continuance of this convention, so reduce its existing tariff rates of duty upon the articles imported from the other in respect of which reductions of duty have been conceded in the foregoing convention as to materially impair the preferential value of the concessions granted, then, in that case, the party injuriously affected thereby shall have the right to terminate this convention upon giving six months' previous notice to the other in writing of its intention so to do.

(Signed) JOHN A. KASSON. [SEAL.]
(Signed) REGINALD TOWER. [SEAL.]

PROTOCOL RELATING TO THE RATIFICATION OF THE PRECEDING CONVENTION.

It is mutually understood by the high contracting parties, at the time of signature, that the ratification of said convention by the signatory Governments is not to be given until the said colony shall have expressed its adherence to the same and the British Government shall have given notice thereof to the Government of the United States.

In witness whereof the undersigned have hereunto affixed their names at the time of signing the said convention.

(Signed) JOHN A. KASSON.
(Signed) REGINALD TOWER.

XVIII.

CONVENTION FOR BERMUDA; SIGNED JULY 24, 1899.

[Unratified.]

The President of the United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, animated by a common desire to improve the conditions of trade between the United States and Her Britannic Majesty's colony of Bermuda, have appointed for that purpose their respective plenipotentiaries, namely:

The President of the United States of America, the Hon. John A. Kasson, special commissioner plenipotentiary, etc., and Her Britannic Majesty, Reginald Tower, Her Britannic Majesty's chargé d'affaires at Washington, who, in consideration of and in compensation for the respective concessions and engagements made by each as hereinafter recited, have agreed and do hereby agree upon the following articles for the regulation and government of the reciprocal trade aforesaid:

ARTICLE I. During the term of this convention the hereinafter designated articles of merchandise being the product of the soil or industry of the United States imported into the said colony of Bermuda, and the hereinafter designated articles of merchandise the product of the soil or industry of said colony imported into the United States, shall be admitted upon the conditions set forth in the following schedule, namely:

SCHEDULE.

The following articles the product of the soil or industry of Bermuda imported into the United States shall be admitted at a reduction of 20 per cent. of the rates of duty thereon, as provided by the tariff act of the United States approved July 24, 1897, viz:

Potatoes; onions; tomatoes and other fresh vegetables; bulbs and natural flowers.

The following articles the product of the soil or industry of the United States shall be admitted into the said colony free of duty, namely:

Books, not reprints of English, and atlases and maps; coals; fresh fruits (except bananas) and peas and beans; ice; paintings, engravings, photographs, and sculpture, including monuments; trees, plants, bulbs and shrubs for planting; vessels, dredges, boats, machinery, tools, plants of materials for survey or improvement of ship channels under control of the island government; fresh meats and poultry; bread and biscuit; cheese; bran; canned fruits; canned meats (exclusive of fish); canned vegetables; fruit, dried; carts and carriages for animal draft; clocks; corn brooms; corn meal; cotton-seed oil and oil cake; cycles; fertilizers; hay; horses and mules; implements of agriculture; pitch; resin; tallow; tar; wire fencing.

And the following shall be admitted at a rate of duty not exceeding 5 per cent. on their import value:

Beef and pork, pickled and smoked meats; butter; cereals and prepared cereal food; eggs; flour; furniture; milk; and cattle shall be admitted at a rate not exceeding 4 shillings per head.

ARTICLE II. It is mutually understood that the usual and proper packages or coverings containing articles of merchandise imported from either country into the other shall be exempt from duty.

It is further agreed that should said colony concede to any country upon the products of its soil or industry a lower rate of duty than that herein stipulated for the like products of the United States, such lower rate shall be immediately applied to the like products of the soil or industry of the United States imported into said colony; and all the products of the United States imported into the said colony shall be admitted at the lowest rate of duty conceded to the like products of any country.

ARTICLE III. No export duties or other charges upon exportation, whether authorized by national, state, colonial, or municipal authority, shall be imposed or collected by either country upon any articles of merchandise included within the provisions of this convention; and no import duty or other charge upon the importation into either country of the articles aforesaid other than that herein expressly recognized shall be imposed or collected upon the articles of merchandise herein

provided for, being the product of the soil or industry of the United States or of the colony of Bermuda respectively; it being the intention of both the high contracting parties that no additional duty or tax or charge of any kind, direct or indirect, other than that herein expressly authorized, shall be imposed by the national or any local authority upon the merchandise embraced in the provisions of this convention, prior to its entering into consumption in the respective countries. Customary and reasonable harbor dues and wharfage charges on cargo landed, as heretofore existing in Bermuda and equally applied to merchandise of every origin, are not prohibited.

ARTICLE IV. In return for the preferential rates of duty herein granted to the said colony by the United States it is agreed that the concessions herein granted on the part of the said colony to the products of the United States shall continue during the term of this convention preferential in respect to all like imports from other countries, with the exception of Great Britain and the British Possessions, and of such other countries as shall be entitled by convention with Great Britain to the benefit of the most-favored-nation treatment. In the case of these last-mentioned countries such exception shall cease to apply when said conventional right shall be terminated.

ARTICLE V. The present convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty, and the ratifications shall be exchanged at Washington as soon as may be within eight months from the date hereof, and the convention shall go into effect immediately thereafter; and shall continue in force for the term of five years from the date of such exchange of ratifications, and from year to year thereafter until the expiration of one year from the time when either of the high contracting parties shall give notice to the other of its intention to terminate the same.

In witness whereof we, the respective plenipotentiaries, have signed the same, and have affixed our respective seals.

Done in duplicate at Washington, this 24th day of July, A. D. 1899.

JOHN A. KASSON. [SEAL.]
REGINALD TOWER. [SEAL.]

ADDITIONAL ARTICLE.

It is mutually understood by the high contracting parties that should the legislative authority of the United States, or of said colony, respectively, during the continuance of this convention so reduce its existing tariff rates of duty upon the articles imported from the other in respect of which reductions of duty have been conceded in the foregoing convention as to materially impair the preferential value of the concessions granted, then, in that case, the party injuriously affected thereby shall have the right to terminate this convention upon giving six months' previous notice to the other in writing of its intention so to do.

JOHN A. KASSON. [SEAL.]
REGINALD TOWER. [SEAL.]

PROTOCOL RELATING TO THE RATIFICATION OF THE PRECEDING CONVENTION.

It is mutually understood by the high contracting parties at the time of signature that the ratification of said convention by Her Britannic Majesty may be withheld until the said colony of Bermuda shall have expressed its adherence to the same.

In witness whereof we, the plenipotentiaries signing the said convention, have also signed this protocol on the 24th day of July, in the year one thousand eight hundred and ninety-nine.

JOHN A. KASSON.
REGINALD TOWER.

ADDITIONAL ARTICLE.

It is mutually understood by the high contracting parties that should the legislative authority of the United States, or said colony, respectively, during the continuance of this convention so reduce its existing tariff rates of duty upon the articles imported from the other in respect of which reductions of duty have been conceded in the foregoing convention as to materially impair the preferential value of the concessions granted, then, in that case, the party injuriously affected thereby shall have the right to terminate this convention upon giving six months' previous notice to the other in writing of its intention so to do.

JOHN A. KASSON. [SEAL.]
REGINALD TOWER. [SEAL.]

PROTOCOL RELATING TO THE RATIFICATION OF THE PRECEDING CONVENTION.

It is mutually understood by the high contracting parties at the time of signature that the ratification of said convention by Her Britannic Majesty may be withheld until the said colony of British Guiana shall have expressed its adherence to the same.

In witness whereof the plenipotentiaries signing the said convention have also signed this protocol on the eighteenth day of July, in the year one thousand eight hundred and ninety-nine.

JOHN A. KASSON.
REGINALD TOWER.

XIX.

CONVENTION FOR TURKS AND CAICOS ISLANDS; SIGNED JULY 21, 1899.

[Unratified.]

The President of the United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, animated by a common desire to improve the conditions of trade between the United States and Her Britannic Majesty's colony of Turks and Caicos islands, have appointed for that purpose their respective plenipotentiaries, namely:

The President of the United States of America, Hon. John A. Kasson, special commissioner plenipotentiary; and Her Britannic Majesty, Reginald Tower, esq., Her Britannic Majesty's chargé d'affaires ad interim at Washington, who, in consideration of and in compensation for the respective concessions and engagements made by each as hereinafter recited, have agreed and do hereby agree upon the following articles for the regulation and government of the reciprocal trade aforesaid:

ARTICLE I. During the term of this convention salt and sponges unmanufactured, being the product of the soil or industry of said islands and imported directly therefrom into the United States, shall be admitted at a reduction of twelve and one-half per centum of the duties imposed thereon by the tariff act of the United States approved July 24, 1897; and sisal grass of the like origin, not dressed or manufactured in any manner, shall be admitted free of duty.

ARTICLE II. During the same term the following articles of merchandise being the product of the soil or industry of the United States or of their possessions imported into said islands shall be admitted free of duty:

Corn and all other grains, the meal and other preparations thereof (rice and wheat flour excepted); fruit and vegetables, fresh, dried, or preserved; bran, pollard, and feed; live animals of all kinds; meats, fresh, of all kinds; clocks and watches; fish, fresh, dried, smoked, or salted; glass and glassware, eathenware, tinware, wood ware; brooms and brushes; candles, cart grease, and tallow; carriages, carts, all wheeled vehicles; coal of all kinds; india-rubber goods; sewing machines; iron, steel, copper, and manufactures thereof (hardware and cutlery excepted); machinery of all kinds; matches; paper of all kinds, stationery and printing materials; pitch, tar, and turpentine; varnish; waters, mineral, or aerated.

And the following articles of the like origin shall be admitted at rates of duty not exceeding the rates hereinafter designated, viz:

On beer, 2 pence per gallon; on biscuits and bread, 10 pence per 100 pounds; on butter, 4 shillings 2 pence per 100 pounds; on cheese, 4 shillings 2 pence per 100 pounds; on drugs and medicines, 10 per cent ad valorem; on furniture, 10 per cent ad valorem; on flour of wheat, 3 shillings per barrel; on hardware and cutlery, 10 per cent ad valorem; on lard, 4 shillings 2 pence per 100 pounds; on leather and all manufactures thereof, 10 per cent ad valorem; on lumber of yellow or pitch pine, 4 shillings per M feet; on meat, salted or cured, 2 shillings 1 pence per 100 pounds; on mineral oil, 1 pence per gallon; on cotton-seed oil, 4 pence per gallon; on shingles, cypress, 1 shilling per M; on soap, 3 shillings per 100 pounds; on sugar, refined, 8 shillings 4 pence per 100 pounds; on tinned provisions of all kinds, 10 per cent ad valorem; on wines, dry, in cask, value not exceeding 2 shillings per gallon (U. S.), sweet, in cask, value not exceeding 2 shillings and 8 pence half-penny per gallon (U. S.), 20 per cent ad valorem.

ARTICLE III. It is further agreed that all the products of the United States imported into said islands shall be admitted at the lowest rate of duty conceded to the like products of any country.

ARTICLE IV. The present convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty, and the ratifications shall be exchanged at Washington

as soon as may be within eight months from the date hereof, and the convention shall go into effect immediately thereafter, and shall continue in force for the term of five years from the date of such exchange of ratifications, and from year to year thereafter: provided, however, that this convention shall at any time cease to be operative six months after either of the high contracting parties shall have given notice to the other of its intention to terminate the same.

In witness whereof we, the respective plentipotentiaries, have signed the same, and have affixed our respective seals.

Done in duplicate at Washington, this twenty-first day of July, in the year one thousand eight hundred and ninety-nine.

JOHN A. KASSON. [SEAL.]
REGINALD TOWER. [SEAL.]

PROTOCOL RELATING TO THE RATIFICATION OF THE PRECEDING CONVENTION.

It is mutually understood by the high contracting parties at the time of signature that the ratification of said convention by Her Britannic Majesty may be withheld until the said colony of Turks and Caicos islands shall have expressed its adherence to the same.

In witness whereof we, the plenipotentiaries signing the said convention, have also signed this protocol on the twenty-first day of July, in the year one thousand eight hundred and ninety-nine.

JOHN A. KASSON.
REGINALD TOWER.

XX.

CONVENTION FOR JAMAICA; SIGNED JULY 22, 1899.

[Unratified.]

The President of the United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, animated by a common desire to improve the conditions of trade between the United States and Her Britannic Majesty's colony of Jamaica, have appointed for that purpose their respective plenipotentiaries, namely:

The President of the United States of America, the Hon. John A. Kasson, special commissioner plentipotentiary, etc., and Her Britannic Majesty, Reginald Tower, Her Britannic Majesty's chargé d'affaires at Washington, who, in consideration of and in compensation for the respective concessions and engagements made by each as hereinafter recited, have agreed and do hereby agree upon the following articles for the regulation and government of the reciprocal trade aforesaid:

ARTICLE I. During the term of this convention the hereinafter designated articles of merchandise being the product of the soil or industry of the United States imported into the said colony of Jamaica, and the hereinafter designated articles of merchandise the product of the soil or industry of said colony imported into the United States, shall be respectively admitted upon the conditions set forth in the following schedule, namely:

SCHEDULE.

The following articles the product of the soil or industry of the colony of Jamaica imported into the United States shall be admitted at a reduction of 12½ per centum of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, viz:

Cane sugar and molasses.

And the following shall be admitted at a reduction of 20 per cent: Citrus fruits; pineapples; fresh vegetables, including potatoes and onions; rum.

And the following shall be admitted free of duty: Bananas; cocoanuts and cocoanut husks; coffee; cocoa, crude; ginger root, unground; kola nuts; pimento, unground; anatto; beeswax; sarsaparilla, crude; tortoise shell in natural state; logwood and fustic; mahogany.

The following articles the product of the soil or industry of the United States shall be admitted into the said colony free of duty: Agricultural implements and tools, namely, plows, harrows, cultivators, graders, horse hoes, hoes, cutlasses, agricultural forks, axes, bill-hooks, clod crushers, dibbles, sewing machines, stump extractors, scythes, shovels, picks and spades; apparatus and appliances of all kinds for generating, storing, conducting, converting into power or light and measuring electricity, including telegraphic, telephonic, and electrical appliances of all kinds for communication and illumination; apparatus and appliances for generating

measuring, conducting, and storing gas; asbestus and tar paper for roofing; bags and sacks made of flax, hemp, or jute for exporting island produce; bees, beehives and all accessories for apiaries; beef, smoked and dried; beef and pork preserved in cans, not being wet salted or cured; belting for machinery of leather, canvas, or india rubber; boats and lighters, and their oars and fittings, imported therewith; books, printed, bound or unbound, pamphlets, magazines, and newspapers; bran, middlings and shorts; pollard; bridges of iron or wood, or of both combined; bullion and coin; coal, coke, and patent fuel; candles of tallow; cotton wool; carts, wagons, cars, and barrows, with or without springs, of all descriptions, not being such as are ordinarily used as vehicles of pleasure; cotton seed oil cake and meal and cottolene; drawings, paintings, engravings, lithographs, and photographs, pictures of all kinds; eggs; fertilizers of all kinds, natural and artificial; fish, fresh or on ice; fire engines and fire extinguishers; fruit, fresh, canned, dried, or preserved, hay and straw, for forage; horses, mares, geldings, and mules; lamps and lanters, not exceeding 10 shillings in value; lime of all kinds; locomotives, railway rolling stock and parts thereof, rails, railway ties, and all materials and appliances to be used exclusively for construction, equipment, and operation of railways and tramways; magic lanterns and slides therefor; maps and charts; marble or alabaster, in the rough or squared, worked or carved, for building purposes or monuments; meat, fresh; parts of articles free under the tariff, the component parts of any article which is free under the tariff shall also be admitted free of duty, provided such parts have been especially prepared and manufactured to replace or fit such free articles; printing and wrapping paper; photographic apparatus and appliances necessary for the production of photographs; printer's ink, in all colors; pans for boiling sugar; poultry and other birds; prepared food for animals; resin, tar, pitch, and turpentine; sausage, dry and pickled; school slates and slate pencils and slate by tale; sewing machines; shooks for tierce, puncheon, hogshead, barrels, and casks, and shooks for boxes or crates used in packing; steam engines, boilers, prime motor engines of all kinds, machines, machinery, and apparatus, whether stationary or portable, worked by power or by hand, for manufacturing or preparing for market the agricultural and mineral products of the island, including sugar, coffee, cocoa, pimento, ginger, kola, anatto, cocoanuts, tobacco, cassava, fruits of all descriptions, vegetables of all descriptions, woods of all descriptions and fibers; steel, ingots; stills and parts thereof; tallow and animal grease; telephones and telephone switchboards; trees, plants, vines, seeds, and grains of all kinds for propagation or cultivation; varnish not containing spirits; weather-service articles, imported for the use of the weather service of the United States of America, being the property of the United States Government; wire fencing, with hooks, staples, nails, and other appliances for fastening the same; wood hoops and truss hoops; wood staves and headings; yeast cake and baking powder; zinc, in blocks and pigs.

And the following articles of like origin shall be admitted at rates of duty not exceeding the following:

Lumber, pine, yellow or pitch, rough or prepared, 4 shillings per M feet (board measure); cypress shingles, 4 shillings per M; beef, wet salted or cured, 11 shillings 3 pence per barrel (of 200 pounds); pork, wet salted or cured, 11 shillings 3 pence per barrel (of 200 pounds); butter and butter substitutes, 1 penny per pound; bread and biscuit, not fancy or in tins, 3 shillings per 100 pounds; corn, indian, 3 pence, per bushel; meal (not wheat), 1 shilling 6 pence per barrel (of 196 pounds); ham and bacon, 1 penny per pound; pease and beans, 6 pence per bushel; cotton seed oil, 3 pence per gallon. Tobacco, manufactured: Cigarettes, the weight of the cigarettes not to include the paper covering, 1 shilling 3 pence per pound; cavendish plug, cut or uncut, 1 shilling 6 pence per pound; cotton cloths, value not exceeding 5 cents or 2 pence halfpenny per yard, 12½ per cent ad valorem; cheese, 2 pence per pound; flour of wheat, 8 shillings per barrel; lard and lard substitutes, 1 penny per pound; oats, 4 pence per bushel; petroleum, 7½ pence per gallon; wines, dry, in cask, value not exceeding 2 shillings per gallon (U. S.); sweet, in cask, value not exceeding 2 shillings 8½ pence per gallon (U. S.), 20 per cent ad valorem.

Article II. It is further agreed that if either the United States or said colony shall, during the continuance of this convention, increase the duties upon the importation of merchandise the product of the soil or industry of the other, not specially provided for in this convention, such increase shall be without discrimination to the prejudice of the products of the other, and shall in no case exceed 50 per cent of the duties respectively in force on June 1, 1899; and articles admitted free of duty at said date under the laws of the United States and of said colony, respectively, shall so far as applicable to their respective products, continue to be so admitted during the term of this convention.

XXI.

CONVENTION WITH ARGENTINA; SIGNED JULY 10, 1899.

[Unratified.]

Whereas by section 4 of the act entitled "An act to provide revenue for the Government and to encourage the industries of the United States," approved by the Congress of the United States of America July 24, 1897, the President of the United States of America, by and with the advice and consent of the Senate, is authorized to enter into commercial treaties with other countries and to concede thereunder, for equivalent commercial advantages from such countries, a reduction of not exceeding 20 per cent of the duties prescribed in the aforesaid act; and

Whereas by paragraph 4 of article 26 of the customs tariff law of the Argentine Republic for 1899, approved January 3, 1899, the President of the Argentine Republic is also authorized to concede for equivalent commercial advantages from other countries a reduction of not exceeding 50 per cent of the duties prescribed in the Argentine customs tariff law; and

Whereas the Government of the United States of America and the Government of the Argentine Republic moved by a spirit of long existing friendship and with a desire to improve and to more firmly establish their commercial relations with each other have, to that end, in accordance with the above-cited laws, agreed to conclude a convention and have for that purpose appointed as their respective plenipotentiaries:

The President of the United States of America, William I. Buchanan, envoy extraordinary and minister plenipotentiary of the United States of America at Buenos Aires, and the President of the Argentine Republic, Señor Dr. Don Amancio Alcorta, minister of foreign relations and worship of the Argentine Republic, who, after having communicated to each other their respective full powers, that of the plenipotentiary of the United States being by cable and to be hereafter replaced by the usual form of document, and both being found in due and proper form, have agreed to and concluded the following articles:

ARTICLE I. The Government of the United States of America hereby agrees to admit the below-mentioned and described articles, the same being the growth, manufacture or product of the Argentine Republic, into all ports of the United States at the following reduction of the duties prescribed thereon by the United States tariff act above cited:

1. On sugar: A reduction of 20 per cent of the duties fixed in article 209 of the previously cited United States tariff act on all sugars enumerated in said article, they being the growth, manufacture, or product of the Argentine Republic. Such sugars shall likewise be exempt from the operation of section 5 of the above-cited act, provided they be accompanied by a certificate signed by the administrator general of internal taxes of the Argentine Republic, duly authenticated by a United States consul in that country, showing that such sugar or sugars have paid no internal tax and have not received nor will receive any "drawback" or bounty of any kind from the Government of the Argentine Republic upon their exportation.

2. On hides: A reduction of 20 per cent of the duty prescribed by article 437 of the United States tariff act above cited, on hides of cattle, raw or uncured, whether dry, salted, or pickled, being the product of the Argentine Republic; but the above provision shall, however, not be construed as impairing the effect of any regulations that have been or may hereafter be issued pursuant to section 25 of the previously cited tariff act of the United States, concerning the prevention of the introduction or spread of contagious or infectious diseases among the cattle of the United States.

3. On wool: A reduction of 20 per cent of the duties prescribed by articles 357, 358, and 359 of the above-cited United States tariff act, on wools as classified under articles 348, 349, 350, and 351 of the same act, and being the growth and product of the Argentine Republic; such wools shall also be held to be included within the exception with reference to skirted wools as imported into the United States in 1890, or prior thereto, provided for in articles 356 of said act, and this without reference as to whether the fleeces of such wools are baled, tied, or untied.

ARTICLE II. In view of the reduction of duty conceded by the Government of the United States in the preceding article of this convention, the Government of the Argentine Republic hereby agrees to admit into all its ports the articles hereinbelow named, such articles being the growth, manufacture, or

product of the United States of America, at the rates of duty specified in the following schedules:

Schedule A: Canned salmon, canned lobsters, canned shrimp, canned corn, succotash, canned tomatoes, canned apples and other fruits (excepting peaches, pears, quinces, apricots, and cherries), windmills, dried or evaporated fruits, and paraffine wax at a reduction of 50 per cent of the duties which are or may be prescribed by the customs tariff law of the Argentine Republic.

Schedule B: Bacon, oatmeal, cracked wheat, hominy, corn grits, cornstarch (maizena), and other cereal foods, sail twine, and cotton rope, at a reduction of 20 per cent of the duties which are or may be prescribed by the customs tariff law of the Argentine Republic.

Schedule C: The duty on furniture made of either oak or ash, yellow (pitch) pine, white pine, Oregon pine, or spruce pine is to be calculated on the actual sworn value of the goods in the customs deposits of the Argentine Republic, said values to be ascertained as provided by article 23 of the above-cited Argentine tariff law for 1899.

Schedule D: The duty on white pine, spruce pine, Oregon pine, yellow pine, oak and ash lumber, undressed, entering the Argentine Republic, being the growth, manufacture, or product of the United States of America, to be 15 per cent ad valorem upon the following values in Argentine gold per square meter: White pine 35 cents, yellow pine 20 cents, spruce pine 25 cents, Oregon pine 20 cents, oak 50 cents, and ash 50 cents.

Schedule E: The duty on cotton-seed oil entering the Argentine Republic, being the manufacture or product of the United States of America, to be 6¼ cents Argentine gold per kilogram.

ARTICLE III. It is further agreed that the following valuations (aforos) shall be used by the Argentine Government as the basis for the collection of the ad valorem duties prescribed in the preceding article of this convention, and also for the collection of duties not therein specified, when the said articles are the growth, manufacture or product of the United States: Cotton ducking, white or colored (lona y loneta de algodón blanca ó de color) 40 cents per kilo; paraffine wax 15 cents per kilo; canned salmon 25 cents per kilo; canned apples 12 cents per kilo; canned corn and succotash 20 cents per kilo; canned tomatoes 20 cents per kilo; dried or evaporated fruits 20 cents per kilo; windmills 10 cents per kilo; oatmeal, cracked wheat, cornstarch (maizena) and other cereal foods 20 cents per kilo; sail twine and cotton rope (piola y pioliú de algodón) 40 cents per kilo.

ARTICLE IV. It is further agreed that the duties mentioned in Article I of this convention on the products of the Argentine Republic shall at all times be as low as those imposed by the Government of the United States upon similar products of any other country; and it is also equally agreed that the duties and valuations (aforos) mentioned in Articles II and III of this convention on products of the United States shall at all times be as low as those imposed by the Government of the Argentine Republic upon similar products of any other country.

ARTICLE V. The ratifications of the present convention shall be exchanged at Buenos Aires or Washington within seven months from the date hereof, or earlier if possible.

It shall become operative and duly observed by the customs authorities of the high contracting parties at the expiration of the third day following that upon which the exchange or ratifications is effected, and it shall remain in full force for five years after that date and thereafter until terminated by a six months' notice to be given by either of the high contracting parties.

In faith whereof we, the respective plenipotentiaries, have signed this convention and have hereto affixed our seals.

Done in duplicate at Buenos Aires, this tenth day of July, one thousand eight hundred and ninety-nine.

WILLIAM I. BUCHANAN. [SEAL.]
AMANCIO ALCORTA. [SEAL.]

It is also mutually agreed that no separate import duty shall be charged on the usual and proper packages or coverings inclosing articles of merchandise of either country imported into the other.

It is further agreed that should the said colony concede to any country upon the products of its soil or industry a lower rate of duty than that herein stipulated for the like products of the United States, such lower rate shall be immediately applied to the like products of the soil or industry of the United States imported into such colony; and all the products of the United States

imported into the said colony shall be admitted at the lowest rate of duty conceded to the like products of any country.

ARTICLE III. No export duties or other charges upon exportation, whether authorized by national, State, colonial, or municipal authority, shall be imposed or collected in either country upon any articles of merchandise included within the provisions of this convention; and no import duty or other charge upon the importation into either country of the articles aforesaid, other than that herein expressly authorized, shall be imposed by the national or any local authority upon the merchandise embraced in the provisions of this convention, prior to its entering into consumption in the respective countries.

ARTICLE IV. In return for the preferential rates of duty herein granted to the said colony by the United States it is agreed that the rates herein granted on the part of the said colony to the products of the United States shall continue during the term of this convention preferential in respect to all like imports from other countries, with the exception of Great Britain and the British Possessions, and of such other countries as shall be entitled by convention with Great Britain to the benefit of the most favored nation treatment. In the case of these last-mentioned countries such exception shall cease to apply when the said conventional right shall be terminated.

ARTICLE V. The present convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty, and the ratifications shall be exchanged at Washington as soon as may be within eight months from the date hereof, and the convention shall go into effect immediately thereafter, and shall continue in force for the term of five years from the date of such exchange of ratifications; and from year to year thereafter until the expiration of one year from the time when either of the high contracting parties shall give notice to the other of its intention to arrest the operation thereof.

In witness whereof we, the respective plenipotentiaries, have signed the same and have affixed our respective seals.

Done in duplicate at Washington this 22d day of July, A. D. 1899.

JOHN A. KASSON. [SEAL.]
REGINALD TOWER. [SEAL.]

PROTOCOL RELATING TO THE RATIFICATION OF THE PRECEDING CONVENTION.

It is mutually understood by the high contracting parties at the time of signature that the ratification of said convention by Her Britannic Majesty may be withheld until the said colony of Jamaica shall have expressed its adherence to the same.

In witness whereof the plenipotentiaries signing the said convention have also signed this protocol on the twenty-second day of July in the year one thousand eight hundred and ninety-nine.

JOHN A. KASSON.
REGINALD TOWER.

XXII.

CONVENTION WITH THE FRENCH REPUBLIC; SIGNED JULY 24, 1899.

[Unratified.]

The United States of America and the French Republic, animated by a desire to facilitate and increase the commercial intercourse between the two countries, have agreed to conclude a reciprocal convention for that purpose, and have appointed their respective plenipotentiaries therefor, namely:

The President of the United States of America, Hon. John A. Kasson, special commissioner plenipotentiary, etc., and the President of the French Republic, His Excellency Jules Cambon, ambassador extraordinary and plenipotentiary, commander of the Legion of Honor, etc., who, after having communicated to each other their respective full powers in good and due form, have agreed upon the following articles:

ARTICLE I. It is agreed on the part of France that all articles of merchandise being the product of the soil or industry of the United States of America exported to France or Algeria (whether shipped directly to a French or Algerian port or arriving by way of an intermediate port) shall be admitted into France and Algeria upon payment only of the minimum rates of duty imposed on the like articles of any other origin; and no port or other charges of any kind

shall be imposed upon such merchandise prior to entering into consumption unless they are such as are equally applied to importations from all foreign countries; and no prohibition or restriction of the importation of any of the products of the United States shall be made except such as shall equally apply to the like products in the like condition arriving from any other country. The right to provide sanitary measures against the introduction of pests or of infectious or contagious diseases is reserved.

The following articles of merchandise are excepted from the provisions of this article respecting the minimum rates of duty, namely: Horses; butter; lucerne and clover seed; fodder; cast iron; skins and hides prepared; boots and shoes, and parts of same; belts and cords and other leather articles manufactured for machinery; dynamos; machine tools; dynamo conductors, and parts; arc lamps known as regulators; sugar; chicory roots, green or dried; eggs; cheese; honey; porcelain; cardboard, rough, in sheets.

ARTICLE II. Reciprocally, it is agreed on the part of the United States that the articles of merchandise the product of the soil or industry of France or Algeria designated and described in the following schedule (whether shipped directly to a United States port or arriving by way of an intermediate port) shall be admitted into the United States on payment only of the reduced duties as declared and set forth in said schedule; and no port or other charges of any kind shall be imposed upon such merchandise prior to its entering into consumpton except such as are equally applied to importations from all foreign countries; and no prohibition or restriction of the importation of any of the products of France or Algeria shall be made except such as shall equally apply to the like products in the like condition arriving from any other country. The right to provide sanitary measures against the introduction of pests or of infectious or contagious diseases is reserved.

SCHEDULE

of articles the product of the soil or industry of France and Algeria on which reduction of duties is conceded by the United States, together with percentages of concession upon the present duties thereon:

ARTICLES.	Rate of reduction.
	Per cent.
Silk goods	5
Cotton goods:	
Hosiery and knit goods	20
Suspenders, passementerie	5
Cotton fabrics mixed with silk	5
Plush and velvet	5
Ready-made clothing	5
Laces	5
Articles of flax and hemp:	
Woven fabrics	10
Laces, embroidery, trimmings	10
Linen goods, ready-made	10
Leather and skins:	
Gloves, excepting those known as schmaschen	10
Articles of Paris (fancy goods):	
Imitation jewelry	10
Jewelry	5
Buttons	5
Brushes	10
Dice, Chessmen, etc.	10
Toys and playthings	20
Fans	10
Articles of amber, bone, ivory, mother-of-pearl, shell, meerschaum	15
Buckles	10
Articles of food:	
Prepared or preserved vegetables, pease, etc., including mushrooms	10
Fruits preserved in sugar or spirits	10

ARTICLES.	Rate of reduction.
	Per cent.
Articles of food—*Continued.*	
Chicory, roasted or ground	5
Macaroni, vermicelli, and all similar preparations	10
Nuts	20
Prunes	10
Olive oil	15
Chemicals:	
Colors and varnishes	10
Coal-tar dyes or colors	20
Glycerin	10
Glue	10
Potash	10
Soda	10
Medicinal preparations	10
Perfumery prepared with or without alcohol	10
Soaps, including perfumed soaps	10
Ultramarine blue	10
Earthen and glass ware:	
Bricks and tiles, varnished	10
Enameled, or ornamented	10
Bottles	15
Glass decanters, and other glass vessels	5
Window glass and other glass	10
Spectacles and glasses for spectacles	10
Opera glasses, lenses, etc	10
Metal work:	
Cutlery	10
Watchmakers' articles, clocks	15
Nails, spikes, points, needles	15
Metallic pens	10
Penholders	10
Other goods and wares composed wholly or in part of manufactured metal not specially provided for in the act	10
Galloon, braid, embroidery, and other articles made wholly or partly of tinsel-wire, bullions, or metal thread	5
Paper:	
Copying, filtering, blotting, and surface-coated paper, or paper covered with metal or its solutions, parchment, sensitized paper for photographic purposes	10
Letter-paper, hand-made	10
Envelopes	10
Blank books	10
Albums	10
Articles of paper	10
Feathers, etc., dressed for ornament, etc., and artificial flowers	5
Wood and wooden furniture	10
Plants and seeds	20
Straw hats	10
Braids of straw or grass, etc., especially for making or ornamenting hats	10
Cement	10
Furs not on the skin for hats	20
Hats, including felt hats	10
Musical instruments	10
Feathers, not dressed	20
Mineral waters	20
Liqueurs	10

ARTICLE III. It is further agreed that should the United States concede upon any articles of merchandise described in the preceding schedule being the product of the soil or industry of any other country a lower rate of duty than that herein designated for the like articles being the product of the soil or industry of France

or Algeria, such lower rate shall be applied of right and without delay to the like articles being the product of France or Algeria.

It is also agreed that any reduction of the duties provided by the tariff act of the United States approved July 24, 1897, upon sparkling wines, or upon the articles of woolen manufacture described in paragraphs Nos. 366 to 382, inclusive, of said tariff act, being the product of the soil and industry of any other European country, which may after the date hereof be conceded to such country by the United States, shall be immediately extended to the same articles being the product of the soil or industry of France or of Algeria.

ARTICLE IV. Should either of the high contracting parties during the term of this convention by any legislative action so change the relative conditions of trade as existing at the date of this convention, to wit, France by increasing the minimum rates of duty herein stipulated for products of the United States, or the United States by increasing the reduced rates set forth in the foregoing schedule, or increasing the existing rates upon other French products, or either party by imposing new restrictions or prohibitions upon importations from the other, in such case the option is reserved to the other high contracting party to terminate its obligations under this convention after six months' notice to the other of its intention to arrest the operation thereof.

ARTICLE V. This convention shall be duly ratified by the respective Governments so soon as practicable and within eight months from the date hereof, and the ratifications shall be exchanged at Washington; and it shall go into effect ten days thereafter, and shall, subject to the provisions of Article IV, continue in force for the term of five years from the date of such exchange of ratifications, unless one of the high contracting parties shall in the meantime have given notice to the other of its wish to terminate the same, in which case the convention shall be terminated twelve months from the reception of such notice by the other party. If neither high contracting party shall have given such notice before the expiration of five years, the convention shall continue in force from year to year thereafter until twelve months after such notice shall be given.

In witness whereof we, the respective plenipotentiaries, have signed this convention in duplicate and have affixed our respective seals.

Done at Washington, this twenty-fourth day of July, A. D. one thousand eight hundred and ninety-nine.

JOHN A. KASSON. [SEAL.]
JULES CAMBON. [SEAL.]

XXIII.

COMMERCIAL CONVENTION WITH DENMARK FOR THE ISLAND OF ST. CROIX.

[Unratified.]

The President of the United States of America and His Majesty the King of Denmark, animated by a common desire to improve by means of a special Convention the conditions of trade between the United States and the Island of St. Croix in the Danish West Indies, have appointed for that purpose their respective Plenipotentiaries, namely:

The President of the United States of America, the Honorable John A. Kasson, Special Commissioner Plenipotentiary; and

His Danish Majesty, Mr. Constantin Brun, Commander of the Order of Danebroge and decorated with the Cross of Honor of the same Order, Chamberlain to His Majesty the King of Denmark, and His Majesty's Envoy Extraordinary and Minister Plenipotentiary at Washington;

Who, in consideration of and compensation for the respective concessions and engagements made by each as hereinafter recited, have agreed and do hereby agree upon the following Articles for the regulation and government of the reciprocal trade aforesaid:

ARTICLE I. During the term of this Convention cane sugar not above No. 16 Dutch standard in color, and molasses, and rum, being respectively the product of the soil or industry of the said Island of St. Croix and imported directly therefrom into the United States shall be admitted at a reduction of 12½ per centum of the duties imposed thereon by the Tariff Act of the United States approved July 24, 1897.

ARTICLE II. Reciprocally and in compensation for the foregoing concessions flour of wheat and corn meal, being respectively the product of the soil or industry

of the United States, shall be admitted into the said Island of St. Croix at rates not exceeding the following, namely:

Flour of wheat, 35 cents per 100 lbs.

Corn meal, 20 cents per 100 lbs.

The present duties on salted or cured meats of all kinds, rye flour, bread and biscuit, refined sugar, maize, oats, pease and beans, lard and oleomargarine, cotton seed oil, leather and skins, furniture, and lumber, being respectively the product of the soil or industry of the United States, shall not be increased during the term of this Convention.

Steam coal, shooks for rum and molasses puncheons, staves and headings, and agricultural implements, of the like origin, shall be admitted into said Island free of duty.

ARTICLE III. It is further agreed that all the products and manufactures of the United States shall be admitted into said Island at the lowest rates of duty granted to the like products of any country, Denmark and the Danish Islands St. Thomas and St. Jean excepted.

ARTICLE IV. The present Convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Majesty the King of Denmark, and the ratifications shall be exchanged at Washington as soon as may be and within twelve months from the date hereof, and the Convention shall go into effect ten days thereafter: and shall continue in force for five years unless within twelve months after it goes into effect one of the High Contracting Parties shall have given formal notice to the other of its intention to terminate the same, in which case the operation of the Convention shall cease six months after the reception of such notice. If such notice shall not be given, and if neither Party shall give notice to the other twelve months before the expiration of the said period of five years of its desire to then terminate this Convention, it shall continue in force thereafter until one year from the time such notice shall be given.

In witness whereof we the respective Plenipotentiaries have hereunto affixed our names and our respective seals.

Done in duplicate at Washington this fifth day of June in the year of our Lord one thousand nine hundred.

JOHN A. KASSON. [SEAL.]
C. BRUN. [SEAL.]

XXIV.

COMMERCIAL CONVENTION WITH THE DOMINICAN REPUBLIC.

[Unratified.]

The President of the United States of America and the President of the Dominican Republic, animated by the desire to strengthen the bonds of friendship between the two countries, and to facilitate their neighborly commercial intercourse by improving the conditions of trade between them, have resolved to enter into a convention for that purpose, and have appointed their respective plenipotentiaries, to wit:

The President of the United States of America, the Hon. John Hay, Secretary of State of the United States of America, and

The President of the Dominican Republic, the Licenciado Señor Don Francisco Leonte Vasquez, minister of improvements and public works, envoy extraordinary and minister plenipotentiary, etc.;

Who, after an exchange of their full powers found to be in good and due form, have, in consideration of and in compensation for the respective concessions and engagements made by each to the other as hereinafter recited, agreed and do hereby agree upon the following Articles for the regulation and government of their reciprocal trade, namely:

ARTICLE I. No import duties or other charges direct or indirect, whether authorized by national or municipal authority, shall be imposed or collected in either country upon any articles of merchandise, the product of the soil or industry of the other and included within the provisions of this Convention, except such as are expressly provided for herein. And should any such merchandise being the product of either country be admitted into the other and reexported in the original packages, there shall be no export duty charged or collected thereon, but the same may be freely withdrawn for export. And upon merchandise the product of and exported from the Dominican Republic to the United States there shall be no increase of the export duties or taxes in force on February 1, 1898; and any reduction thereof hereafter made shall be immediately applied to all exports to the United States.

ARTICLE II. It being the intention of each party to give to the other a com-

pensatory preferential tariff as hereinafter provided, it is mutually agreed that should the general rates of duty on the foreign merchandise described in Articles VI. and VII. of this Convention be hereafter reduced by the legislation of the importing country, then the per centum of reduction herein stipulated respectively shall apply to the reduced rates which may be so established.

ARTICLE III. It is mutually agreed that the packages, cases, or coverings in which the merchandise herein provided for is imported into either country shall be exempt from duty if they are usual and proper for the purpose; and all merchandise the product of the soil or industry of the respective countries admitted on the first of February, 1898, into the other free of duty shall remain exempt from duty during the continuance of this Convention.

It is further understood that the provisions of this Convention only apply to the products of the soil or industry of the respective countries which shall be exported directly from the ports of one country to the ports of the other.

ARTICLE IV. No other or higher rate of internal taxes, national or municipal, shall be levied or collected in either country on articles imported from the other than are levied and collected on articles of their own national production.

ARTICLE V. Each Government, while reserving the right to make necessary laws and regulations to prevent fraud in declarations and proof of the national origin and of the direct exportation of merchandise, and to protect its revenue, engages that all such laws and regulations shall be reasonable, and shall not cause undue inconvenience to the importer, nor shall any additional charges or fees be required therefor.

ARTICLE VI. Cane sugar and molasses the product of the soil or industry of the Dominican Republic imported into the United States of America shall be admitted at a reduction of twelve and one half per centum of the duties imposed by the Tariff Act approved July 24, 1897.

And the following articles of the like origin shall be admitted at a reduction of twenty per centum of the duties imposed thereon by the said Tariff Act, viz.:

Hides and skins; honey; tobacco, leaf.

And the following shall be admitted free of duty, viz.:

Cocoa, crude; coffee; bananas; dyewoods; gums; sisal grass and other crude fibers; goat skins; beeswax; mahogany and other cabinet woods; shells, unmanufactured.

ARTICLE VII. The following articles of merchandise the product of the soil or industry of the United States imported into the Dominican Republic shall be admitted at a reduction of twenty-five per centum of the duties imposed thereon by the laws or decrees in force in said Republic on February 1st, 1898, viz.:

Caps and hats of all kinds; chemicals, drugs, and medicines, including proprietary; cordage, rope, and twine, of all kinds; fish of all kinds, not fresh; iron and steel, and all manufactures thereof, including machinery, hardware and tools of all trade and industries; meats and meat products, including salted or pickled meats and lard; papers and stationery of all kinds including envelopes; vegetables and fruits, fresh, dried, canned, pickled, or preserved; watches of other materials than gold or silver, and clocks of all kinds; wood, lumber, and manufactures of, for all purposes, including furniture; apparatus and all machinery, implements and materials used for telegraphic, telephonic, illuminating or scientific purposes, which are not exempt from duty; bags of whatever material; brass and copper, and all manufactures of; boats and lighters; boots and shoes of all kinds and materials; butter, cheese, and condensed or canned milk; bricks, fire bricks, cement, lime, paving tiles, artificial and natural stone, rough, dressed or polished, and all earthy materials used in building; cotton manufactures of all kinds; cotton seed oil and meal cake; corn or maize, cornmeal, oats and oatmeal, rye and rye flour, wheat and wheat flour; earthen, china, and glass ware, window glass, and glass mirrors; fertilizers, natural and artificial; coal and coke; lamps, lanterns, and fixtures for lighting; leather, and manufactures of; materials for the construction and equipment of railways, including locomotives and cars; malt liquors; materials for shipbuilding; oleomargarine; paints, pigments, and colors; photographic materials; plated ware; perfumery, cosmetics, and soaps; rosin, tar, pitch, and turpentine; sugar, refined and confectionery; starch; tin plate and tinware of all kinds; trunks, valises and travelling bags; wagons, carriages and vehicles of all kinds, and parts thereof; wearing apparel, including clothing of all kinds; windmills; roofing materials of all kinds.

ARTICLE VIII. The present Convention shall be ratified by the competent authorities of the respective countries, and the ratifications shall be exchanged at Washington as soon as may be, and within twelve months from the date thereof, and the Convention shall go into effect ten days thereafter; and shall continue in force for the term of four years from the date of exchange of ratifications thereof, and thereafter from year to year until twelve months from the date when one of

the Contracting Parties shall have given notice to the other of its intention to terminate the same.

In witness whereof we the respective Plenipotentiaries have hereunto affixed our names and our respective seals.

Done in duplicate in English and Spanish texts at Washington this twenty-fifth day of June in the year of our Lord one thousand nine hundred.

JOHN HAY. [SEAL.]
F. L. VASQUEZ. [SEAL.]

XXV.

COMMERCIAL CONVENTION WITH ECUADOR.

[Unratified.]

The United States of America and the Republic of Ecuador, desiring to extend and facilitate commerce between the two countries, have resolved to conclude a special treaty of commerce, and have appointed, for this purpose, their respective Plenipotentiaries, to wit:

The President of the United States of America, His Excellency Archibald J. Sampson, Envoy Extraordinary and Minister Plenipotentiary of the United States in Ecuador; and

The President of the Republic of Ecuador, His Excellency Dr. José Peralta, Minister of Foreign Relations of Ecuador.

Who, having exhibited to each other their respective full powers, conferred in good and due form, have agreed upon the following articles:

ARTICLE I. The following natural and industrial productions of Ecuador shall be admitted into the United States of America without payment of duty:

Hides and skins, raw, dried, pickled or salted, of all animals except neat cattle, and also excepting sheepskins with the wool on; coffee; cotton and cotton waste or flocks; cacao, crude, and leaves, fiber and shells of cacao; india-rubber, crude, and scrap or refuse; Peruvian bark (quina); reeds, unmanufactured, for hats; ivory-nuts; orchil.

The following articles of the same origin shall be admitted into the United States at a reduction of 20 per centum of the duties imposed by the existing tariff law of the United States:

Cane sugar not above No. 16 Dutch standard in color; hides and skins of neat cattle; straw hats; leaf tobacco.

ARTICLE II. Reciprocally, the following articles shall be admitted into Ecuador free of duty, they being the production of the soil or industry of the United States:

Implements and machinery of all kinds, for agricultural purposes; machines and manufactures, for manufacturing purposes; locomotives, cars and materials for the construction and equipment of railways; iron in pigs or bars, copper, lead and zinc in bars not weighing less than fifty kilograms; mineral and vegetable coal; bran and maize; ordinary wines of the United States, the price of which does not exceed twelve cents per liter, as per invoice, or the equivalent thereof in Ecuadorian coin, according to the rate of exchange; fruits, canned, dried, or preserved in any manner; oil-cake and oil-meal; preserved salmon.

The following articles of the same origin shall be admitted into Ecuador at a reduction of 20 per centum on the present tariff, to wit:

Sewing machines; wheat flour; wine in barrels or bottles, not hereinbefore provided for; timber and lumber, rough or dressed; cotton-seed oil.

The said articles being the product of the United States, shall be admitted into Ecuador at the lowest rate of duty that is granted to the like articles of any other origin.

ARTICLE III. The exemption of certain articles from duties as hereinbefore provided shall not be construed as exempting them from reasonable and customary charges for landing, wharfage, storage, etc., equally applied to goods of every origin.

ARTICLE IV. Evidence of the national origin of imported goods shall be furnished by means of certificates issued by the customs authorities of the port of shipment, and by the consuls of the country to which the merchandise shall be consigned. Imported goods shall be subject to the formalities established in the respective countries for the examination and identification of the merchandise.

ARTICLE V. The vessels of either nation entering a port of the other, shall enjoy therein all the benefits and privileges granted to or enjoyed by—and shall be subject to no other charges or restrictions than those imposed upon—vessels of the most favored nation entering or leaving such port.

ARTICLE VI. This treaty shall take effect thirty days after the exchange of

the ratifications thereof and shall remain in force for the period of four years thereafter, and from year to year continuously thereafter until one of the High Contracting Parties shall have given to the other twelve months' notice of its intention to terminate the same, in whole or in part.

ARTICLE VII. This treaty shall be ratified as soon as possible and within twelve months from the date hereof by the competent authorities of the respective Governments, and the ratifications shall be exchanged without unnecessary delay at Quito or at Washington.

In witness whereof we, the undersigned Plenipotentiaries, have hereunto affixed our names and seals at Quito, this tenth day of July, 1900.

ARCHIBALD J. SAMPSON. [SEAL.]
J. PERALTA. [SEAL.]

XXVI.

COMMERCIAL CONVENTION WITH NICARAGUA.

[Unratified.]

The President of the United States of America and the President of the Republic of Nicaragua, animated by the desire to strengthen the bonds of friendship between the two countries, and to facilitate their commercial intercourse by improving the conditions of trade between them, have resolved to enter into a Convention for that purpose, and have appointed their respective Plenipotentiaries, to wit:

The President of the United States of America, The Honorable John A. Kasson, Special Commissioner Plenipotentiary, etc., and

The President of the Republic of Nicaragua, His Excellency Doctor Joaquin Sansón, Minister of Foreign Affairs, who, after an exchange of their full powers found to be in good and due form, have, in consideration of and in compensation for the respective concessions and engagements made by each to the other as hereinafter recited, agreed and do hereby agree upon the following Articles for the regulation and government of their reciprocal trade, namely:

ARTICLE I. Cane sugar not above number sixteen Dutch standard in color and molasses, and hides and skins of cattle, the product of the soil or industry of the Republic of Nicaragua imported into the United States of America shall be admitted at a reduction of twenty per centum of the duties imposed by the Tariff Act of July 24, 1897; and the following articles of the like origin shall be admitted free of duty, viz.:

Indigo; coffee; bananas; rubber, crude; mahogany in the log rough or hewn; hides and skins, except those of cattle, and of sheep with the wool on.

ARTICLE II. Reciprocally the following articles the product of the soil or industry of the United States of America shall be admitted into the Republic of Nicaragua free of all duties.

Animals, live; barley, indian corn, wheat, oats, rye and rice; seeds of all kinds for agriculture and horticulture; live plants of all kinds; corn meal; starch; beans, potatoes and all other vegetables, fresh or dried; fruits, fresh or dried; hay, bran and straw for forage; cotton-seed oil and all other products of said seed; tar, resin and turpentine; asphalt, crude or manufactured in blocks; quicksilver for mining purposes; coal, mineral or animal; fertilizers for land; lime and cement; wood and lumber, in the rough or prepared for building purposes; houses of wood or iron; marble in the rough or dressed, for fountains, gravestones and building purposes; tools and implements for agricultural and horticultural purposes; wagons, carts and hand-carts; iron and steel, in rails for railroads, and other similar uses, and structural iron and steel for bridges and building purposes; wire, for fences, with or without barbs, clamps, posts, clips and other accessories, of wire not less than three lines in diameter; machinery of all kinds for agricultural purposes, arts and trades, and parts of such machinery; motors of steam or other power; forges, water pumps of metal, pump hose, sledge hammers, drills for mining purposes, iron piping with its keys and faucets, crucibles for melting metals, iron water tanks and lightning rods; roofs of galvanized iron, gutters, ridging, clamps and screws for the same; printing materials; books, pamphlets and other printed matter, and ruled paper for printed music, printing paper in sheets not less than 29 by 20 inches; geographical maps or charts, and celestial and terrestrial spheres or globes; surgical and mathematical instruments; stones and fire-bricks for smelting furnaces; vessels and boats of all kinds, fitted together or in parts; gold and silver in bullion, bars or coin.

Wines the product of the United States, not exceeding in value sixty cents gold per English gallon, and flour of wheat shall be admitted at a reduction of

twenty per centum of the import duty in force on July first, one thousand eight hundred and ninety-nine.

The packages or coverings in which the products of the soil or industry of either country shall be imported into the other shall be free of duty if they are usual and proper for the purpose.

ARTICLE III. The respective Governments of the two countries reserve the right to require sufficient proof that the imported articles are the product of the soil or industry of the other country; and each may adopt all proper regulations for the prevention of frauds upon the customs revenue; but such measures shall place no undue restrictions upon the importer, nor occasion any additional charges or fees therefor upon the articles imported.

ARTICLE IV. No export duties shall be imposed during the continuance in force of this Convention either on articles the product of the soil or industry of the Republic of Nicaragua designated in the free list of Article I., or on those articles the product of the soil or industry of the United States designated in Article II. of this Convention.

ARTICLE V. This convention shall be ratified by the proper authorities of the respective countries so soon as practicable and within twelve months from the date hereof, and shall continue in force for the term of five years from the date of exchange of ratifications thereof, and thereafter, from year to year until twelve months from the date when one of the Contracting Parties shall have given notice to the other of its intention to terminate the same.

Executed in duplicate in the English and Spanish languages this twentieth day of October A.D. 1899, at the City of Washington.

JOHN A. KASSON. [SEAL.]
J. SANSON. [SEAL.]

AMENDATORY ARTICLE.

The President of the United States of America and the President of the Republic of Nicaragua, having on the twentieth day of October, A.D. 1899, by their respective Plenipotentiaries signed a Reciprocal Commercial Convention relating to trade between the United States and the Republic of Nicaragua, and considering it expedient to extend the period prescribed in said Convention for the ratification thereof, have for that purpose appointed their respective Plenipotentiaries, namely:

The President of the United States of America, The Honorable John Hay, Secretary of State of the United States; and

The President of the Republic of Nicaragua, His Excellency Doctor Don Luis Felipe Corea, Envoy Extraordinary and Minister Plenipotentiary;

who, after having communicated each to the other their respective full powers in good and due form, have agreed upon the following additional and amendatory article to be taken as a part of said Convention.

SOLE ARTICLE.

The respective ratifications of the said Convention shall be exchanged so soon as possible and within twelve months from the date of signature of this Article.

Done in duplicate in English and Spanish texts at Washington this twenty-fifth day of June in the year of our Lord one thousand nine hundred.

JOHN HAY. [SEAL]
LUIS F. COREA. [SEAL]

XXVII.

CONVENTION WITH GREAT BRITAIN FOR NEWFOUNDLAND.

[Unratified.]

The Governments of the United States and of Great Britain, desiring to improve the commercial relations between the United States and His Britannic Majesty's Colony of Newfoundland, have appointed as their respective plenipotentiaries, and given them full powers to treat of and conclude such convention, that is to say:

The President of the United States has appointed, on the part of the United States, John Hay, Secretary of State; and

His Britannic Majesty on his part has appointed The Right Honorable Sir Michael Herbert, K. C. M. G., C. B., His Britannic Majesty's Ambassador Extraordinary and Plenipotentiary at Washington;

And the said plenipotentiaries, after having exchanged their full powers, which were found to be in due and proper form, have agreed to and concluded the following Articles:

ARTICLE I. United States fishing vessels entering the waters of Newfoundland shall have the privilege of purchasing herring, caplin, squid and other bait fishes at all times, on the same terms and conditions, and subject to the same penalties, as Newfoundland vessels.

They shall also have the privilege of touching and trading, buying and selling fish and oil, and procuring supplies, in Newfoundland, conforming to the Harbor Regulations, but without other charge than the payment of such light, harbor and customs dues as are or may be levied on Newfoundland fishing vessels.

ARTICLE II. Codfish, cod oil, seal oil, whale oil, unmanufactured whalebone, sealskins, herrings, salmon, trout, and salmon trout, lobsters, cod roes, tongues, and sounds, being the produce of the fisheries carried on by the fishermen of Newfoundland, and ores of metals, the product of Newfoundland mines, and slates from the quarry untrimmed, shall be admitted into the United States free of duty. Also all packages in which the said fish and oils may be exported shall be admitted free of duty. It is understood, however, that unsalted or fresh codfish are not included in the provisions of this Article.

ARTICLE III. The officer of customs at the Newfoundland port where the vessel clears shall give to the master of the vessel a sworn certificate that the fish shipped were the produce of the fisheries carried on by the fisherman of Newfoundland, which certificate shall be countersigned by the Consul or Consular Agent of the United States.

ARTICLE IV. When this convention shall come into operation, and during the continuance thereof, the following articles, imported into the Colony of Newfoundland from the United States shall be admitted free of duty:

Agricultural implements and machinery imported by Agricultural Societies for the promotion of agriculture; cranes, derricks, fire clay, fire brick, rock drills, rolling mills, crushing mills, separators, drill steel, machinery of every description for mining, used within the mine proper or at the surface of the mine, smelting machinery of all kinds when imported directly by persons engaged in mining or to be used in their mining operations and not for sale; brick machines; dynamite, detonators, blasting powder and fuse; raw cotton and cotton yarn; corn for the manufacture of brooms and whisks; chair cane, unmanufactured; cotton seed oil, olive oil, boracic acid, acetic acid, preservatine, when imported by manufacturers to be used in the preservation of fish or fish glue; hemp, hemp yarn, coir yarn, sisal, manila, jute, flax and tow; indian corn; oil cake, oil cake meal, cotton seed cake, cotton seed meal, pease meal, bran, and other preparations for cattle feed; manures and fertilizers of all kinds, and sulphuric acid when imported to be used in the manufacture of manures; lines and twines used in connection with the fisheries, not including sporting tackle; ores to be used as flux; gas engines, when protected by patent; ploughs, harrows, reaping, raking, plowing, potato-digging and seed-sowing machines, when imported by those engaged in agriculture and not for sale; engravers' plates of steel, polished, for engraving thereon; photo engraving machinery, viz: router, bevelling and squaring machines, screen holders, cross line screens and chemicals for use in engraving, and wood for blocking, engraving tools and process plates; printing presses, printing paper, printing types, printers' ink, when imported by bona fide printers for use in their business; salt, in bulk, when imported for use in the fisheries; and the duties to be levied and collected upon the following enumerated merchandise imported into the Colony of Newfoundland from the United States shall not exceed the following amounts, viz: flour, 25 cents per barrel; pork, 1 dollar 50 cents per barrel of 200 pounds; bacon and hams, tongues, smoked beef and sausages, 2¼ cents per pound, or 2 dollars 50 cents per 112 pounds; beef, pigs' heads, hocks and feet, salted and cured, 1 dollar per barrel of 200 pounds; indian meal, 20 cents per barrel; peas, 30 cents per barrel; oat meal, 30 cents per barrel of 200 pounds; rice, ¼ cent per pound; kerosene oil, 6 cents per gallon

ARTICLE V. It is understood that if any reduction is made by the Colony of Newfoundland, at any time during the term of this convention, in the rate of duty upon the articles named in Article IV of this Convention, coming from any other country, the said reduction shall apply to the United States, and that no heavier duty shall be imposed on articles coming from the United States than is imposed on such articles coming from elsewhere.

ARTICLE VI. The present Convention shall be duly ratified by the President of the United States of America by and with the advice and consent of the Senate thereof, and by His Britannic Majesty, and the ratifications shall be exchanged at Washington as soon thereafter as practicable.

Its provisions shall go into effect thirty days after the exchange of ratifications,

and shall continue and remain in full force for the term of five years from the date at which it may come into operation, and further until the expiration of twelve months after either of the contracting parties shall have given notice to the other at the end of the said term of five years, or at any time afterwards.

In faith whereof, we, the respective Plenipotentiaries, have signed this Convention, and have hereunto affixed our seals.

Done in duplicate at Washington, this 8th day of November, in the year of our Lord 1902.

JOHN HAY. [SEAL]
MICHAEL H. HERBERT. [SEAL]

XXVIII.

CONVENTION WITH CUBA.

[Unratified.]

The President of the United States of America, and the President of the Republic of Cuba, animated by the desire to strengthen the bonds of friendship between the two countries, and to facilitate their commercial intercourse by improving the conditions of trade between them, have resolved to enter into a convention for that purpose, and have appointed their respective plenipotentiaries, to wit:

The President of the United States of America, the Hon. Gen. Tasker H. Bliss; the President of the Republic of Cuba, the Hon. Carlos de Zaldo y Beurmann, Secretary of State and Justice, and the Hon. Jose M. Garcia y Montes, Secretary of the Treasury; who, after an exchange of their full powers, found to be in good and due form, have, in consideration of and in compensation for the respective concessions and engagements made by each to the other, as hereinafter recited, agreed and do hereby agree upon the following articles for the regulation and government of their reciprocal trade, namely:

ARTICLE I. During the term of this convention all articles of merchandise being the product of the soil or industry of the United States which are now imported into the Republic of Cuba free of duty, and all articles of merchandise being the product of the soil or industry of the Republic of Cuba which are now imported into the United States free of duty shall continue to be so admitted by the respective countries free of duty.

ARTICLE II. During the term of this convention all articles of merchandise not included in the foregoing Article I, and being the product of the soil or industry of the Republic of Cuba imported into the United States, shall be admitted at a reduction of 20 per centum of the rates of duty thereon, as provided by the tariff act of the United States approved July 24, 1897, or as may be provided by any tariff law of the United States subsequently enacted.

ARTICLE III. During the term of this convention all articles of merchandise not included in the foregoing Article I and not hereinafter enumerated, being the product of the soil or industry of the United States, imported into the Republic of Cuba, shall be admitted at a reduction of 20 per centum of the rates of duty thereon, as now provided or as may hereafter be provided in the customs tariff of said Republic of Cuba.

ARTICLE IV. During the term of this convention the following articles of merchandise, as enumerated and described in the existing customs tariff of the Republic of Cuba, being the product of the soil or industry of the United States, imported into Cuba shall be admitted at the following respective reductions of the rates of duty thereon, as now provided or as may hereafter be provided in the customs tariff of the Republic of Cuba.

SCHEDULE A. To be admitted at a reduction of twenty-five (25) per centum:

Machinery and apparatus of copper or its alloys, or machines and apparatus in which copper or its alloys enter as the component of chief value; cast iron, wrought iron and steel, and manufactures thereof; articles of crystal and glass, except window glass; cotton and manufactures thereof now classified under paragraphs 114 and 116 of the customs tariff of the Republic of Cuba; ships and water borne vessels of all kinds, of iron or steel: whiskeys and brandies; fish, salted, pickled, smoked or marinated; fish or shellfish, preserved in oil or otherwise, in tins; articles of pottery or earthenware now classified under paragraphs 21 and 22 of the customs tariff of the Republic of Cuba.

SCHEDULE B. To be admitted at a reduction of thirty (30) per centum:

Butter, chemical and pharmaceutical products and simple drugs, malt liquors in bottles, non-alcoholic beverages, cider, mineral waters, colors and dyes, window glass, complete or partly made up articles of hemp, flax, pita, jute, henequen, ramie and other vegetable fibres now classified under the paragraphs of Group 2,

Class 5, of the customs tariff of the Republic of Cuba; musical instruments, writing and printing paper, except for newspapers; cotton and manufactures thereof, except those now classified under paragraphs 114 and 116 of the customs tariff of the Republic of Cuba (see Schedule A), and except knitted goods (see Schedule C), all articles of cutlery, boots, shoes and slippers now classified under paragraphs 197 and 198 of the customs tariff of the Republic of Cuba; gold and silver plated ware, drawings photographs, engravings, lithographs, chromo-lithographs, oleographs, etc., printed from stone, zinc, aluminum or other material, used as labels, flaps, bands and wrappers for tobacco or other purposes, and all the other papers (except paper for cigarettes, and excepting maps and charts), pasteboard and manufactures thereof now classified under paragraphs 157 to 164, inclusive of the customs tariff of the Republic of Cuba; common or ordinary soaps, now classified under paragraph 105, letters A and B, of the customs tariff of the Republic of Cuba; vegetables, pickled or preserved in any manner; all wines, except those now classified under paragraph 279 (a) of the customs tariff of the Republic of Cuba.

SCHEDULE C. To be admitted at a reduction of 40 per cent.:

Manufactures of cotton, knitted, and all manufactures of cotton not included in the preceding schedules; cheese, fruits (preserved), paper pulp, perfumery and essences, articles of pottery and earthenware now classified under paragraph 20 of the customs tariff of the Republic of Cuba; porcelain, soaps, other than common, now classified under paragraph 105 of the customs tariff of the Republic of Cuba; umbrellas and parasols; dextrine and glucose, watches, wool and manufactures thereof, silk and manufactures thereof, rice, cattle.

ARTICLE V. It is understood and agreed that the laws and regulations adopted, or that may be adopted by the United States and by the Republic of Cuba, to protect their revenues and to prevent fraud in the declarations and proofs that the articles of merchandise to which this convention may apply are the product or manufacture of the United States and the Republic of Cuba, respectively, shall not impose any additional charge or fees thereof on the articles imported, excepting the consular fees established, or which may be established, by either of the two countries for issuing shipping documents, which fee shall not be higher than those charged on the shipments of similar merchandise from any other nation whatsoever.

ARTICLE VI. It is agreed that the tobacco, in any form, of the United States or of any of its insular possessions shall not enjoy the benefit of any concession or rebate of duty when imported into the Republic of Cuba.

ARTICLE VII. It is agreed that similar articles of both countries shall receive equal treatment on their importation into the ports of the United States and of the Republic of Cuba, respectively.

ARTICLE VIII. The rates of duty herein granted by the United States to the Republic of Cuba are and shall continue during the term of this convention preferential in respect to all like imports from other countries, and, in return for said preferential rates of duty granted to the Republic of Cuba by the United States, it is agreed that the concession herein granted on the part of the said Republic of Cuba to the products of the United States shall likewise be, and shall continue during the term of this convention, preferential in respect to all like imports from other countries. Provided that while this convention is in force no sugar imported from the Republic of Cuba, and being the product of the soil or industry of the Republic of Cuba, shall be admitted into the United States at a reduction of duty greater than twenty per centum of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, and no sugar, the product of any other foreign country, shall be admitted by treaty or convention into the United States, while this convention is in force, at a lower rate of duty than that provided by the tariff act of the United States approved July 24, 1897.

ARTICLE IX. In order to maintain the mutual advantages granted in the present convention by the United States to the Republic of Cuba, and by the Republic of Cuba to the United States, it is understood and agreed that any tax or charge that may be imposed by the national or local authorities of either of the two countries upon the articles of merchandise embraced in the provisions of this convention, subsequent to importations and prior to their entering into consumption in the respective countries, shall be imposed and collected without discrimination upon like articles whencesoever imported.

ARTICLE X. It is hereby understood and agreed that in case of changes in the tariff of either country which deprive the other of the advantages which are represented by the percentages herein agreed upon, on the actual rates of the tariffs now in force, the country so deprived of this protection reserves the right to terminate its obligations under this convention after six months' notice to the other of its intention to arrest the operations thereof.

And it is further understood and agreed that if, at any time during the term of this convention, after the expiration of the first year, the protection herein granted to the products and manufactures of the United States on the basis of the actual rates of the tariff of the Republic of Cuba now in force should appear to the government of said republic to be excessive in view of a new tariff law that may be adopted by it after this convention becomes operative, then the said Republic of Cuba may reopen negotiations with a view to securing such modifications as may appear proper to both contracting parties.

ARTICLE XI. The present convention shall be ratified by the appropriate authorities of the respective countries, and the ratifications shall be exchanged at Washington, District of Columbia, United States of America, as soon as may be before the thirty-first day of January, 1903, and the convention shall go into effect on the tenth day after the exchange of ratifications, and shall continue in force for the term of five years from date of going into effect, and from year to year thereafter until the expiration of one year from the day when either of the contracting parties shall give notice to the other of its intention to terminate the same.

In witness whereof we, the respective plenipotentiaries, have signed the same in duplicate, in English and Spanish, and have affixed our respective seals, at Havana, Cuba, this eleventh day of December, in the year one thousand nine hundred and two.

RECIPROCITY PROVISIONS IN TARIFF ACTS.

[McKINLEY] ACT OF 1890.

SEC. 3. That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the first day of January, eighteen hundred and ninety-two, whenever, and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles imposes duties or other exactions upon the agricultural or other products of the United States which, in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States, he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides the production of such countries for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides the product of or exported from such designated country as follows, namely:

All sugars not above number thirteen Dutch standard in color, all tank bottoms, syrups of cane juice or beet juice melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above seventy-five degrees, seven-tenths of one cent per pound; and for every additional degree or fraction of a degree shown by the polariscopic test, two-hundredths of one cent per pound additional.

All sugars above number thirteen Dutch standard in color shall be classified by the Dutch standard of color, and pay duty as follows, namely: All sugar above number thirteen and not above number sixteen Dutch standard of color, one and three-eighths cents per pound.

All sugar above number sixteen and not above number twenty Dutch standard of color, one and five-eighths cents per pound.

All sugars above number twenty Dutch standard of color, two cents per pound.

Molasses testing above fifty-six degrees, four cents per gallon.

Sugar drainings and sugar sweepings shall be subject to duty either as molasses or sugar, as the case may be, according to polariscopic test.

On coffee, three cents per pound.

On tea, ten cents per pound.

Hides, raw or uncured, whether dry, salted, or pickled, Angora goatskins, raw, without the wool, unmanufactured, asses' skins, raw or unmanufactured, and skins, except sheepskins, with the wool on, one and one-half cents per pound.

[DINGLEY] ACT OF 1897.

SEC. 3. That for the purpose of equalizing the trade of the United States with foreign countries and their colonies producing and exporting to this country the following articles:

Argols, or crude tartar, or wine lees, crude; brandies, or other spirits manufactured or distilled from grain or other materials; champagne and all other sparkling wines; still wines and vermuth; paintings and statuary, or any of them, the President be, and he is hereby, authorized, as soon as may be after the passage of this act, and from time to time thereafter, to enter into negotiations with the governments of those countries exporting to the United States the above-mentioned articles, or any of them, with a view to the arrangement of commercial agreements in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States; and whenever the government of any country or colony producing and exporting to the United States the above-mentioned articles, or any of them, shall enter into a commercial agreement with the United States, or make concessions in favor of the products or manufactures thereof, which, in the judgment of the President, shall be reciprocal and equivalent, he shall be, and is hereby, authorized and empowered to suspend, during the time of such agreement or concession, by proclamation to that effect, imposition and collection of the duties mentioned in this act on such article or articles so exported to the United States from such country or colony, and thereupon and thereafter the duties levied, collected, and paid upon such article or articles shall be as follows, namely:

Argols, or crude tartar, or wine lees, crude, five per centum ad valorem.

Brandies, or other spirits manufactured or distilled from grain or other material, one dollar and seventy-five cents per proof gallon.

Champagne and all other sparkling wines, in bottles containing not more than one quart and more than one pint, six dollars per dozen; containing not more than one pint each and more than one-half pint, three dollars per dozen; containing one-half pint each or less, one dollar and fifty cents per dozen; in bottles or other vessels containing more than one quart each, in addition to six dollars per dozen bottles on the quantities in excess of one quart, at the rate of one dollar and ninety cents per gallon.

Still wines, and vermuth, in casks, thirty-five cents per gallon; in bottles or jugs, per case of one dozen bottles or jugs containing each not more than one quart and more than one pint, or twenty-four bottles or jugs containing each not more than one pint, one dollar and twenty-five cents per case, and any excess beyond these quantities found in such bottles or jugs shall be subject to a duty of four cents per pint or fractional part thereof, but no separate or additional duties shall be assessed upon the bottles or jugs.

Paintings in oil or water colors, pastels, pen and ink drawings, and statuary, fifteen percentum ad valorem.

The President shall have power and it shall be his duty, whenever he shall be satisfied that any such agreement in this section mentioned is not being fully executed by the government with which it shall have been made, to revoke such suspension and notify such government thereof.

And it is further provided that, with a view to secure reciprocal trade with countries producing the following articles, whenever and so often as the President shall be satisfied that the government of any country, or colony of such government, producing and exporting directly or indirectly to the United States coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, or any of such articles, imposes duties or other exactions upon the agricultural, manufactured, or other products of the United States, which, in view of the introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, into the United States, as in this act hereinbefore provided for, he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, of the products of such country or colony, for such time as he shall deem just; and in such case and during such suspension duties shall be levied, collected, and paid upon coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, the product or exports, direct or indirect, from such designated country, as follows:

On coffee, three cents per pound.

On tea, ten cents per pound.

On tonquin, tonqua, or tonka beans, fifty cents per pound; vanilla beans, two dollars per pound; vanilla beans, commercially known as cuts, one dollar per pound.

SEC. 4. That whenever the President of the United States, by and with the advice and consent of the Senate, with a view to secure reciprocal trade with foreign countries, shall, within the period of two years from and after the passage of this act, enter into commercial treaty or treaties with any other country or countries concerning the admission into any such country or countries of the goods,

wares, and merchandise of the United States and their use and disposition therein, deemed to be for the interests of the United States, and in such treaty or treaties, in consideration of the advantages accruing to the United States therefrom, shall provide for the reduction during a specified period, not exceeding five years, of the duties imposed by this act, to the extent of not more than twenty per centum thereof, upon such goods as or merchandise as may be designated therein of the country or countries with which such treaty or treaties shall be made as in this section provided for; or shall provide for the transfer during such period from the dutiable list of this act to the free list thereof of such goods, wares, and merchandise, being the natural products of such foreign country or countries and not of the United States; or shall provide for the retention upon the free list of this act during a specified period, not exceeding five years, of such goods, wares, and merchandise now included in said free list as may be designated therein; and when any such treaty shall have been duly ratified by the Senate and approved by Congress, and public proclamation made accordingly, then and thereafter the duties which shall be collected by the United States upon any of the designated goods, wares, and merchandise from the foreign country with which such treaty has been made shall, during the period provided for, be the duties specified and provided for in such treaty, and none other.

Resolutions of the Brussels Sugar Conference, 1902.

Article 1.

The high contracting parties bind themselves, from the date the present convention comes into force, to suppress the direct and indirect bounties by which the production or export of sugar may benefit, and they agree not to establish bounties of this kind during the whole duration of the said convention. In view of the execution of this provision, sweetmeats, chocolates, biscuits, condensed milk, and all other analogous products which contain in a notable proportion sugar artificially incorporated, are to be classed as sugar.

The above paragraph applies to all advantages resulting directly or indirectly, for the different categories of producers, from the fiscal legislation of the States, notably:

(a) The direct bounties granted to exports.

(b) The direct bounties granted to production.

(c) The total or partial exemptions from taxation granted for a part of the manufactured output.

(d) The profits derived from surplusages of output.

(e) The profits derived from the exaggeration of the drawback.

(f) The advantages derived from any surtax in excess of the rate fixed by Article 3.

Article 2.

The high contracting parties bind themselves to submit to bond régime the sugar factories and refineries, as well as those factories in which sugar is extracted from the molasses, in order that they shall be under the permanent surveillance, day and night, of the customs employees.

With this object factories will be arranged in such a way as to prevent the taking away of sugar clandestinely, and the customs employees will have the right to enter every department of the factories.

Books of control in regard to any or several phases of produc-

tion will be kept, and the manufactured sugars will be deposited in such special buildings as will afford every desirable guaranty of security.

Article 3.

The high contracting parties bind themselves to limit the surtax to a maximum of 6 francs per 100 kilograms (1.15 per 220 pounds) for the refined sugar and the sugars assimilable thereto, and 5.50 francs ($1.06) for other sugars—that is to say, the difference between the rate of duty or taxation to which foreign sugars are subjected and that imposed on the home product.

This provision is not to be applied to the rates of import duties in the case of countries that do not produce sugar, nor to the by-products of the manufacturing or refining of sugar.

Article 4.

The high contracting parties bind themselves to impose a special duty on imports into their respective territories of sugars from countries that grant bounties for production or exportation.

This duty shall not be less than the amount of the bounties, direct or indirect, granted in the country of origin. The high contracting parties reserve to themselves the privilege, each as it may affect its own interests, to prohibit the importation of bounty-fed sugars.

For the estimation of the sum of advantages derived eventually from the surtax specified under Section (f) of Article 1, the rate fixed by Article 3 is deducted from the amount of this surtax; half of the difference is held to represent the bounty, the permanent commission organized under Article 7 being entitled, at the request of one of the contracting States, to alter the rate so provided for.

Article 5.

The high contracting parties bind themselves reciprocally to admit at the lowest of their respective import rates sugars imported from any of the contracting States or from any colonies or possessions of said States that do not grant bounties and to which the obligations imposed in Article 8 apply.

Cane and beet sugars cannot be subjected to different rates of duty.

Article 6.

Spain, Italy, and Sweden are not held to the obligation imposed in Articles 1, 2, and 3, so long as they do not export sugar.

These States bind themselves to adapt their sugar legislation to the provisions of the convention—within one year, or earlier, if possible—from the time that the permanent commission has verified that the above condition has ceased to exist.

Article 7.

The high contracting parties agree to create a permanent com-

mission, having charge of the surveillance of the execution of the provisions of the present convention.

This commission shall be composed of delegates of the different contracting States, and to it will be attached a permanent bureau. The commission elects its president; it will sit at Brussels and shall meet on the call of the president.

The duties of the delegates will be:

(a) To verify whether, in the contracting States, any direct or indirect bounty for the production or export of sugars is granted.

(b) To verify whether the States named in Article 6 continue to conform themselves to the provisions of this article.

(c) To verify the existence of bounties in the nonsignatory States, and to estimate the amount of such bounties with a view to applying the provisions of Article 4.

(d) To issue an advice on litigious questions.

(e) To examine the requests for admission to the union from States which have not participated in the present convention.

To the permanent bureau is intrusted the compilation, translation, co-ordination, and publication of information of all kinds relating to the legislation and statistics of sugars, not only in the contracting States, but also in other States.

To secure the execution of the above provisions, the high contracting parties shall communicate, through the diplomatic channel, to the Belgian government, which will transmit them to the commission, copies of the laws, decrees, and regulations relating to the taxation on sugars that are or may be in operation in their respective countries, as well as statistical information relating to the object of the present convention.

Each of the high parties is entitled to be represented on the commission by a delegate or by a delegate and associate delegates.

Austria and Hungary shall be considered separately as contracting parties.

The first meeting of the commission shall take place at Brussels, on the call of the Belgian government, at least three months before the present convention comes into force.

The duties of the commission shall be confined to verification and examination. It will make a report to the Belgian government on all questions submitted to it. Said report will be communicated to the interested States by the Belgian government, and the latter shall, if requested so to do by any of the high contracting parties, promote a meeting of a conference which shall decide on the resolutions or the measures necessary under the circumstances.

The verifications and estimations, however, under Sections (b) and (c) shall have a binding character for the contracting States; they shall be established by a vote of the majority, each contracting State disposing of one vote, and they shall come into effect, at the farthest, at the expiration of a period of two months.

In case one of the contracting States were to appeal from the decision of the commission, it shall have to promote, within eight days after the notification of said decision, a new deliberation of the commission; the latter shall meet under urgent call and shall decide definitely within a period of one month from the date of the appeal.

The new decision shall be executory, at the latest, two months after its date. The same proceedings to be followed in regard to the examination of requests for admission under the provision of Section (e).

The expenses arising from the organization of the permanent commission—except the salary and the compensations of the delegates, which are to be paid by their respective countries—shall be borne by all the contracting States and shall be assessed among them according to a method to be decided upon by the commission.

Article 8.

The high contracting parties bind themselves on their behalf and on behalf of their colonies and possessions, exception being made in the case of the autonomous colonies of Great Britain and British West Indies, to resort to the measures necessary to prevent bounty-fed sugar which has passed through the territory of a contracting State from having the same advantages as those accruing under the convention on the market they are destined for. The permanent commission shall present in this connection the necessary propositions.

Article 9.

The States that have taken part in the present convention shall be admitted to adhere thereto upon request and after a favorable report of the permanent commission.

The request shall be addressed through the diplomatic channels to the Belgian government, which will take charge eventually of notifying the adhesion to all the other governments. The adhesion shall involve, in full right, the accession to all charges and the admission to all advantages enumerated in the present convention, and it shall enter into force from the 1st of September following the transmission of the notification by the Belgian government to the other conracting States.

Article 10.

The present convention shall come into force from September 1, 1903.

It shall remain in force during five years from this date, and if none of the high contracting parties shall have notified the Belgian government twelve months after the expiration of the said period of five years of its intention to have its effects ceased, it shall continue for one year, and so on from year to year.

In case one of the contracting States were to denounce the convention, this denunciation shall take effect only as it may affect its own interests; the other States would retain, until the 31st of October of the year of the denunciation, the privilege of notifying their intention to also retire on September 1 of the following year. If one of the latter intended to make use of this privilege, the Belgian government is to promote a meeting at Brussels, within three months, of a conference which would have to determine the measures to be resorted to.

Article 11.

The provisions of the present convention shall apply to the provinces beyond the seas, colonies, and foreign possessions of the high contracting parties. The colonies and possessions of Great Britain and the Netherlands, however, are not to be included in this regulation, except as far as it is provided in Articles 5 and 8.

The status of the colonies and possessions of Great Britain and the Netherlands is, moreover, defined by the declarations inserted in the final protocol.

Article 12.

The execution of the reciprocal engagements contained in the present convention is subjected, inasmuch as need be, to the performance of the formalities and rules established by the constitutional laws of each of the contracting States.

The present convention shall be ratified and ratifications thereof shall be deposited at Brussels, at the Ministry of Foreign Affairs, on February 1, 1903, or earlier, if possible.

It is understood that the present convention shall only become binding after it has been ratified at least by the contracting States that have not been affected by the exceptional provision of Article 6. In case one or several of the said States have not deposited their ratifications within the time provided for, the Belgian government shall immediately endeavor to obtain a decision from the other signatory States as to the entering into force of the present convention among themselves.

In faith of which the respective plenipotentiaries have signed the present convention.

Done at Brussels, in one single copy, the 5th day of March, 1902.

II.—Final Protocol.

At the moment of proceeding to the signature of the convention relating to the régime of sugars, entered into this date by the governments of Germany, Austria and Hungary, Belgium, Spain, France, Great Britain, Italy, the Netherlands, and Sweden, the plenipotentiaries have agreed to the following:

To Article 3.

Considering that the purpose of a surtax is to protect efficaciously the internal market of producing countries, the high contracting parties reserve the right, each as it affects its own interests, to propose the increase of the surtax in case that considerable quantities of sugars from one of the contracting States should enter their countries; this increase to affect only the sugars coming from that State.

This proposition shall be addressed to the permanent commission, which will decide within a short delay, by a vote of the majority, upon the true foundation of the proposed measure, upon the duration of its application, and upon the rate of the increased tax, the latter not to exceed 1 franc per 100 kilograms (19 cents per 220 pounds).

The adhesion of the commission can only be given in case the invasion of the market in question should be the result of an economical condition of real inferiority, and not the result of a factitious increase of prices promoted by an understanding among producers.

To Article 2.

A. (1) The government of Great Britain declares that no direct or indirect bounty shall be granted to sugars from colonies of the Crown during the existence of the convention.

(2) It declares also, by exceptional measure and while still reserving in principle its entire free action concerning the fiscal relations between the United Kingdom and its colonies and possessions, that during the existence of the convention no preference shall be granted in the United Kingdom to colonial sugars vis-a-vis the sugars coming from the contracting States.

(3) It declares that they will submit the convention to the autonomous colonies and to the West Indies, in order that the latter may have the privilege of giving their adhesion thereto.

It is understood that the government of His Britannic Majesty shall have the right to adhere to the convention in the name of the Crown colonies.

B. The government of the Netherlands declares that during the existence of the convention no bounty, either direct or indirect, shall be granted to sugars of the Dutch colonies, and that these sugars shall not be admitted into the Netherlands at a less rate than is applied to sugars coming from the contracting States.

The present final protocol, which shall be ratified at the same time as the convention concluded this date, shall be considered as an integral part of said convention and shall be of the same force, value, and duration.

In faith of which the plenipotentiaries have drafted the present protocol.

Done at Brussels, the 5th day of March, 1902.[1]

---

[1] Monthly Bulletin of the Bureau of American Republics, April, 1902. "Brussels Sugar Convention," pp. 882-7.

APPENDIX III

CUBA

A.—*Ownership of Cuban Sugar Lands.*

One point of which much has been made in the Cuban reciprocity discussion relates to the ownership of sugar lands in Cuba. During the investigations carried on by the sub-committee of the Senate Committee on Relations with Cuba, in May, 1902, two lists showing the distribution of these lands were received and printed in the rare document entitled "Cuban Sugar Sales." The first was supplied by the War Department, and appears on pp. 172 et. seq. of that document. It is as follows:

WAR DEPARTMENT,
Washington, May 9, 1902.

MY DEAR SENATOR: In further response to your letter of the 5th instant, I take pleasure in inclosing herewith copy of a cablegram received this date from the military governor of Cuba, giving the names, residence, and nationality of the sugar planters of Cuba.

Very sincerely, yours, ELIHU ROOT,
Secretary of War.

Hon. O. H. PLATT,
Chairman of Committee on Relations with Cuba,
United States Senate.

[Received at War Department May 8, 1902.]

HABANA.

MAGOON, *Insular Division, Washington.*

Reference my telegram of yesterday, following is list of sugar planters and their residences:

Name.	Residence.
Mercedes Duranona de Goichoechea	Artemisa.
Alfredo Labarrere	Cabanas.
Ingeno Mercedita	Do.
Frederico Galban	Do.

Name.	Residence.
Antonio Belside	Meriel.
Melchor Bernal	Nuevitas.
Bernabe S. Adan	Do.
W. Ramsden (Englishman)	Alto Songo.
Nicolas Castanos	Campechuela.
Central San Ramon	Do.
Central Teresa	Do.
Jose Gorgas Armengol	Guantanamo.
Braut & Co	Do.
Brooks & Co. (Englishmen)	Do.
United Fruit Co. (Americans)	Gibara.
Sanchez Hermanos	Do.
Beattie & Co. (Englishmen)	Manzanillo.
J. E. Ramirez & Co	Do.
Luciano Ruiz	Niquero.
J. Bueno & Co	Palma Soriano.
Francisco Pla y Picabia	Puerto Padre.
Francisco de P. Auza	San Luis.
Santiago Rousseau	Do.
Fermin de Sola	Abreus.
Emilio Apezteguia	Do.
Martinez y Fernandez	Caibarien.
Manuela Larrondo	Calabazar.
Antonio Ortiz	Camajuani.
E. Ruiz	Do.
Elias Ponvert	Camarones.
Sotero Escarza	Do.
Augustin y Lequeito	Cartajena.
Felix Cabello	Ceja de Pablo.
Babriel Carol	Cienfuegos.
Vicente Fernandez	Do.
Ponce Hermanos	Do.
Sucesion Terry Dorticos	Do.
Miguel Diaz	Do.
Atkins & Co. (Americans)	Do.
Herederos Lino Montalvo	Cruces.
Fowler & Co. (Englishmen)	Do.
Esteban Cacicedo	Palmira.
Marta Abreu	Cruces.
Nicolas S. Acea	Palmira.
Javier Requera	Do.
Viuda de Zuluete	Placetas.
Emilio Roig	Quemados de Guines.
Betharte y Hermano	Calabazar.
J. M. Sevilla	Do.
Tomas de Ona	Do.
McCulloch Hermanos	Do.
Jose Maria Espinosa	Camajuani.
Llanaza y Urgel	Do.
P. Tapia y Hermano	Quemados de Guines.
Teodoro Rabu	Do.
Marcos A. Longa	Do.
Juan Pascual	Rancho Veloz.
Arrechavaleta y Hermano	Do.
Antonio Fernandez	Do.
Garcia y Compañia	Ranchuelo.
Rafael G. Abreu	Do.
Zozaya y Compañia	Remedios.
Montalvo y Hermano	Rodas.
Juan de Dios Ona	Sagua la Grande.
Compañia Azucarera Santa Teresa	Do.
Amezaga y Compañia	Do.

Name.	Residence.
Berenguer y Compañia	San Juan de las Yeras.
Francisco Gomez	Sancti Spiritus.
Truinicu Sugar Co. (Americans)	Do.
Olazar y Tome	Do.
Vicente G. Abreu	Santa Clara.
J. Cordoso	Do.
Emilio Terry y Hermano	Santa Isabel de las Lajas.
Ajuria Hermanos	Do.
Central San Agustin	Do.
Cirilio Gomez	Santo Domingo.
Truinieu Sugar Co. (Americans)	Trinidad.
J. P. Ruiz de Gamiz	Yaguajay.
Narcisa Sugar Co. (Americans)	Do.
Herederos B. Ubistondo	Agramonte.
Herederos Clara y Cristina Baro	Do.
Jose Lezama	Do.
Concepcion Baro	Alacranes.
Adolfo Muñoz	Do.
Garcia Llana y Compañia	Do.
Arrechaleta y Cuadra	Bolondron.
Felix Sugar Co	Do.
Sainz Martinez y Compañia	Do.
Diaz Olivera	Do.
Julia Moliner y Alfonzo	Do.
Casanas y Casanas	Cardenas.
Smith Castro y Compañia	Do.
Suarez y Ruiz	Do.
Josefa Ruiz de Castener	Carlos Rojas.
Herederos de Amalia Baro	Do.
Guerendiain y Badiola	Do.
Segundo Botet	Cidra.
Herederos de Jose de la Cruz Gutierrez	Do.
Julio Alfonzo de Aldama	Do.
Pedemonte y Compañia	Colon.
Francisco Rosell	Corral Falso.
Pedro Arenal	Do
Antonio Alverez Valdes	Jaguey Grande.
Herederos de Izaguirre	Jovellanos.
Dolores Perez de Fernandez	Do.
Emilio Terry y Dorticos	Limonar.
Herederos de Jose Menendes	Do.
Arredondo y Pando	Macagua.
Manuel Arocena	Marti.
Antonio Gonzalez Mendoza	Do.
Grande y Salaun	Mantanzas.
Herederos de Fernandez Blanco	Do.
Compañia Central S. J. Bautista	Do.
Francisco Rosell	Manguito.
Antonio Gomez Araujo	Do.
Carreno y Arrias	Do.
Jose Montalvan	Maximo Gomez.
Herederos Zulueta y Sama	Perico.
Hermanos Sardinas	Do.
Cuban-American Sugar Co. (Americans)	Do.
Ernesto Paillet	Sabanilla.
Hermanos Zulueta y Gamiz	San Juan de los Ramos.
G. Guell y Diago	Union de Reyes.
Jose Garcia Blanco	Do.
Matias M. Averhoff	Aguacate.
Rosario Sugar Co	Do.
Jose Garcia Barbon	Alquizar.
Jose F. Romero	Guines.

Name.	Residence.
Pedro Pons Orta	Guines.
Sociedad Anonima Providencia	Do.
Antonio Galindez	Madruga.
Compañia Anonima Central San Antonio	Do.
Francisco Duranona	Marianao.
Enrique Pascual	Melena del Sur.
Antonio Flores Estrada	Nueva Paz.
Manuel Froilan Cuervo	Do.
Benito Arxer	San Antonio de los Baños.
Casuso Hermanos	San Antonio de las Vegas.
Manuel Calvo Aguirre	Do.
Pedro Fernandez de Castro	Santa Cruz del Norte.
Luis Hernandez y Hermano	San Nicolas.
Maranon y Hernano	Do.
Herederos de R. Lopez de Mendoza	Do.
Jose Delgado	Do.
Cayetano Cordova	San Diego de Nuñez.
Careno y Arcas	Calimete.
Antonio Gonzalez Araujo	Cardenas.
Pedro A. Mederos	Manguito.
Compañia Central Mercedes	Sabanilla de Guarceras.
Herederos de J. de la Cruz Galvez	Matanzas.
J. Alfonso de Aldama	Do.
S. Boetet	Do.
Pedro Arenales Saenz	Pedroso.
Carlos Heckerman	Navajas.
Hermanos Rosell	Jovellanos.
American Sugar Co. (Amercans)	Pijaun.
Anastacia Sardinas	Cardenas.
Ramon y Francisco Delgado	Do.
Sociedad Anonima Dulee Nombre de Jesus	Macagua.
Hermanos de Pestre	Camajuani.
Alcina y Roca	Bayamo.
Arturo Simon	Guantanamo.
Jaime Roca Vidal	Manzanillo.
Nicolas Castanos	Do.
Chaparra Sugar Co	Puerto Padre.
Central San Agustin	Remedios.
Arechavaleta y Cuadra	Habana.
Federico Galban	Do.
Juan P. Baro	Do.
Hijos de A. M. de Alfonso	Do.
Francisco Rosells	Do.
Campañia Central San Juan Bautista	Do.
Sucesion de Jose Fernandez	Do.
Lucigo Ruiz	Do.
Viuda de Zulueta	Do.
Juan Pablo Ruiz de Gamiz	Do.
Narcisa Sugar Co. (Americans)	Do.
Lutegardo Reyes	Do.
Juan P. Baro	Do.
Cayetano Cordoba	Bahia Hondo.
Leandro Soler	Habana.
Ingenio Constancia	Abreu(s).
Enrique Zulueta	Habana.
Manuel Calvo	Do.
Justo Parraga	Do.
J. M. Lopez	Calabazar.
Manuel A. Coto	Ceja de Pablo.

The second list was put in by one Herbert J. Browne, who appeared before the committee as a witness for the domestic sugar in-

terests. Mr. Browne compiled his list during personal visits to Cuba. It was as follows:

CUBAN.

Admiracion, Guanajayaboa, heirs of Rita Duquesne.
Aguada, Cardenas, Gabriel Carol.
Alava, Banaguises, widow of Zulueta y Gamiz.
Algorta, Maximo Gomez, Jose Maria Montalvan.
America o Neevo Teresa, San Diego de Nunez, Ducass Francisco.
Andreita, Cruces, Lino Montalvo.
Averhoff, Aguacate, Matias M. Averhoff.
Baracoa, Hoyo Colorado, Juan Atilano Colome.
Bramales, Cabanas, Alfredo Labareere.
Caney, Manguito, heirs of Serafin Mederos.[1]
Caridad, Rancho Velos, Juana Pascual.
Carolina, Palmira, R. Torriente & C. Valladon.
Ceiba, Calabazar de Sagua, heirs of Francisco Lamadrid.
Desquite, Canasi, Sebastian Montalvo.[1]
Dolores, Canasi, heirs of Pedro Calvo.[1]
Dolores, Remedios, Diego Abreu y de la Torre.
Dos Hermanas, Palmira, Nicolas S. Acea.
Dos Hermanas, Santa Clara, Marta Abreu.
El Salvador, Quemado de Guines, successors of Emilio Cespedes, lessees.
Espana, Perico, widow of Zulueta.
Esperanza, Rancho Veloz, L. R. de Martinez Quintana.
Fe, Camajuani, Jose M. Espinosa.
Guayabo, Calabazar, Sagua, Ricardo Alfonso.
Juguetillo, Canansi, Belen Cartaya & Sons.[1]
La Julia, Duran, Casuso Brothers.
Libertad, Cifuentes, Felipe de Pazos.
Luisa and Antonia, Corralillo, heirs of Felix Cabello.
Manuelita, Palmira, Javier R. Acea.
Maria, Manguito, Francisco M. Torriente.[1]
Mercedes, Guarairas, successors to Andres Carillo.
Neda, Colon, Antonio Fernandez Criado.
Nueva Paz, Los Palos, Manuel F. Cuervo.
Nuestra Senora de los Remedios, Bahia Honda, Cayetano Cordoba.
Puerto o Villaroel, Canasi, heirs of Jose Blanco.
Reglita, Roque, S. & A. Sardina.
San Antonio, Ceja de Pablo, Agustin Riquelme.
San Cristobal, San Juan de los Yeras, heirs of Cardoso.
San Francisco, Cruces, Marta Abreu.
San Isidro, Quemado de Guines. M. A. Longa.
San Lorenzo, Cidra, Remigio Arroyo.[1]
San Jacinto, Cabanas, Leandro Sell y Guzman.[1]
San Miguel, Santa Clara, Juan Carillo.
San Rafael, Caibarien, heirs of Manual J. de Rojas.
Santa Catalina, Maximo Gomez, successors of Alfredo Coffigni.
Santa Lutgarda, Ceja de Pablo, Señora de Olivera, administratrix.
Santa Rosa, Ranchuelo, Rafael G. Abreu.
Santa Rosalia, Camajuani, Llanza y Urgell.

Zaza, Placetas, widow of Zulueta.
Josefita, Los Palos, Antonio Flores Estrada.
Loteria, Jaruco, Pedro Fernandez de Castro.
Nuestra Señora del Carmen, Pedro Fernandez de Castro.
Santa Gertrudis, Banaguises, Antonio Gonzales de Mendoza.

SPANISH ESTATES.

Adela, Caibarien, Zozaya & Co.
Aguedita, Manguito, Francisco Rosell.
Altamira, Camajuani, Antonto Ortiz.
Armonia, Bolondron, Francisco Cuadra.[1]
Asuncion, Canasi, Angel Ortiz Garcia.[1]
Australia, Jaguey Grande, Antonio Alvarez.
Bolois, Canasi, Fernando Lopez Cancio.[1]
Carmen, Jaruco, Pedro Fp de Castro.[1]
Conchita, Alacranes, widow of Pedro Baro.
Condesa, Limonar, Menendez, Manas & Co.
Constancia, Calabazar de Sagua, Pablo C. Larronda.
Cuatro Pasos, Canasi, Jose Bernabeu & Co.[1]
Chavarri, Caimito, Julian Chavarri.
China, Matanzas, D. P. de la Riva.
Dolores, Corral Falso, Francisco Rosell.
Dos Hermanas, Roque, Felix Sardinas.[1]
Dos Rosas, Cardenas, heirs of Bartholome Casanas.[1]
Ariadna, Limonar, Jose Grave de Peralta.[1]
Corazon de Jesus, Sagua, Amezagua & Co.
Duloe Nombre, Macagua, Arredondo & Pando.
Elena, Canasi, Grande & Solaun.
Esperanza, Manguito, Manuel Carreno.
Fajardo, Gabriel Benito Arxer.
Favorito ó Guizpucoa, Marti, Manuel Arocena Sagastazu.
Flora, Bolondron, Jose Saenz.
Herculano, Los Palos, Luis C. Roque.[1]
Jesus Maria, Cidra, Pedro Sierra.
Jicarita, Bolondron, Manuel Diaz & Co.
Jobo, San Nicolas, Pedro Laborde.
Julia, Limonar, Jose S. Aldecoa.
La Asuncion, Cabanas Juan Pedro y Baro.
La Vega, Manguito, Tirso Mesa.[1]
Las Canas, Alacranes, Adolfo M. del Monte.
Los Angeles, Cidra, heirs of Jose de la C. Gutierrez.
Luisa, Caobas, heirs of Jose Menendez.
Luisa, Carlos Rojas, Rivas & Castenada Brothers.
Lutgardita, Quemado de Guines, heirs of Mamerto Pulido.
Macagua, Calabazar de Sagua, Duarte & Betharte.
Majagua, Union de Reyes, Joaquin Guell and heirs of Alfonso Guell.
Merceres, Roque, Garrigo & Carmol.
Merceditas, Melena del Sur, Enrique Pascual.
Mi Rosa, Quivican, Gabriel Campos.
Montana, Bahia Honda, heirs of Condessa Ibanez.
Niquero, Santiago de Cuba, Juan Ramirez.

Nosco, ———, Cipriano Picaza.
Nuevo Paz, Los Palos, Manuel F. Cuervo.
Olimpo, Carlos Rojas, heirs of Amalia Baro.
Panchita, Sagua, Rinaldo J. Sandoval.
Pastora, San Juan de los Yeras, heirs of Antonio Berenguer.
Pelayo, Jaruco, Ramon Pelayo.[2]
Perseverancia, Yaquarama, Miguel Diaz.
Pilar, Artemisa, Fermin A. de Goicochea.
Por Fuerza, Calimente, Manuel Carreno.
Portugalete, Cienfuegos, Sotero Escarza.
Portugalete, San Jose de las Lajas, Manuel Calvo.
Progreso, Lagunillas, Suarez & Ruiz.
Providencia, Guines, Pascual Goicochea.
Puerto Escondido, Canasi, Jose Diaz Boleno.
Reforma, Caibarien, Jose Martinez y Fernandez.
Reglita, Roque, S. & A. Sardina.
Resolucion, Quemado de Guines, heirs of Jose M. Lezama.
Resultas, Sagua, Juan de Dios Ona.
Salvador, Manzanillo, J. L. Ramirez & Co.
San Agustin, Quivican, Francisco Casuso.[2]
San Cayetano, Cidra, Julio Alfonso Aldama.[1]
San Francisco de Asis, Quemado de Guines, Teodoro Barbace.
San Ignacio, Cuevitas, Jose Urbiztondo.[1]
San Jose, San Domingo, Julio Rabell.
San Jose de Caunabaco, Canasi, Zanetti & Galvez.
San Juan Bautista, Canasi, Jose Diaz Boleno.
San Lino, Rodas, Montalvo Brothers.
San Manuel Puerto Padre, Francisco Pla y Picabia.
San Luis, Manzanillo, Luciano Ruiz.[1]
San Pedro, San Pedro de Mayabon, Antonio Fernandez.
San Ramon, Mariel, Antonio Balsinde.
San Vincente, Jovellanos, Jose Sainz e Izaguirre.
San Vincente, Rancho Veloz, Manuel Calvo.
Santa Amalia, Coliseo, Gerendiain & Badiola.
Santa Catalina, Yaguajay, Jose Carbo.
Santa Elene, Matanzas, Grande & Solaun.
Santa Lutgarda, Calabazar de Sagua, Jose M. Lopez.
Santa Maria, Ranchuelo, Cacicedo & Co.
Santa Rita, Madruga, Antonio Galindez.
Santa Rosalia, Guira Macuriges, Francisco de P. Coronado.
Santisma Trinidad, Santa Isabella de las Lajas, heirs of Conde More.
Santisma Trinidad, Tapaste, Marques Real Proclamacion.
Santo Domingo, Union de Reyes, Jose Garcia Blanco.
Saratoga, Sabanilla, Ernesto Paillete.[1]
Socorro, Macuriges, Pedro Arenal.
Soledad, Jovellanos, Francisco G. Secade.
Teresa, San Nicholas, Manuel Catala.[2]
Toledo, Marianao, F. M. Duranona.
Union, Cuevitas, Jose Lezama y Larrea. Said to be American.[1]
Valiente, Alacranes, Garcia Llana & Co.
Vitoria, Yaguajay, heirs of Pablo Gamiz.
La Paz, Cardenas, Pedemonte & Co.

Fortuna, Alquizar, Jose Garcia Barbon.
Corazon de Jesus, Sagua, Amezaga & Co.

AMERICAN SYNDICATES, FIRMS, INDIVIDUALS, AND CUBAN-AMERICANS.

Caracas, Cruces, Terry Brothers.
Caridad, Gibara, Sanchez Brothers.
Cayajabo, Mahruga, Andres Terry.
Cieneguita, Los Abreu, heirs of Francisco Sola.
Coliseo, Lagunillas, unknown company.
Congreso, Nuevitas, Bernabe Sanchez Adan.
Constancia, Los Abreu, American syndicate.[2]
Chaparra, Puerto Padre, Chaparra Sugar Company.[2]
Desempeno, Roque, heirs of Lutgarda Angarica.[1]
El Lugareno, Nuevitas, Melchor Bernal.
Feliz, Bolondron, Feliz Sugar Company.
Isabel, Cifuentes, Cuban-American Sugar Company.[1]
Hormiguero, Camarones, Elias Pouvert for Syndicate.[2]
Indio, Amarillas, Ponce de Leon Brothers.
Isabel, Manzanillo, Beathe & Co.[1]
Juragua, Castillo Jagua, widow of Antonio Terry.
La Rosa, Carlos Rojas, Cristobal Madan.
Limones, Limonar, Emilio Terry.
Lucia, Hoyo Colorado, Perfecto Lacoste.
Mapos, Sancti Spiritus, Francisco del Valle Iznaga.
Merceditas, Cabanas, Merceditas Sugar Company.
Narcisa, Yaguajay, Narcisa Sugar Company.
Natividad, Sancti Spiritus, F. L. del V. Iznaga.
Nombre de Dios, Habana, Pons & Co., lessees.
Occitania, Macagua, heirs of Himely.
Oceano, Yaguajay, Narcisa Sugar Company.
Precioso, Cardenas, Condit-Smith, Castro & Co.[1]
Purio, Calabazar de Sagua, Tomas de Ona.
Rosario, Aguacate, Rosario Sugar Company.
San Antonio, Madruga, Compania Azucareria (Sp.-Am.).
San Fernando, Sancti Spiritus, Francisco L. del V. Iznaga.
San Jose, Melena del Sur, Carolina Lacoste.[1]
San Rafael, Bolondron, Julia Moliner de Jorrin.
San Ramon, Manzanillo, unknown company.
Santa Amalia, Lagunillas, Taylor heirs.
San Francisco, Santa Cruz del Sur, San Francisco Sugar Company.
Santa Barbara, Roque, Mrs. M. M. Coronado.
Santa Filomena, Macuriges, Leandro Soler y Morell.
Santa Isabel, Santiago de Cuba, Ramirez heirs.
Santa Lucia, Gibara, Sanchez Brothers.
Santa Maria, Guantanamo, Fernando Pons.
Santa Rita, Roque, Leandro Soler y Morell.
Santa Teresa, Manzanillo, Rigney & Co.
Saratoga, Sagua, Francisco Seglie.
Senado, Nuevitas, Bernabe Sanchez Adan.
Sobernado, Yaguajay, Narcisa Sugar Company.
Teresa, Campechuela, unknown company.

Teresa, Cruces, Andres Terry.
The Francisco Sugar Company, Guayabal.[2]
Tinguaro, Perico, Cuban-American Sugar Company.[2]
Triumvirato, Cidra, sons of A. M. Alfonso.
Triumvirato, Calabazar de Sagua, Manuela Larrondo.
Tuinicu, Sancti Spiritus, Tuinicu Cane Manufacturing Co.
Unidad, Calabazar de Sagua, McCulloch Brothers.

In addition to the above are the extensive holdings of the United Fruit Company, a $20,000,000 corporation, and the holdings of the Cuba Company, generally known as the Van Horne Syndicate, now amounting to upward of 180,000 acres, along the lines of its new railroads, principally in valuable timber and unimproved wild lands, with extensive terminals on Nipe Bay, where the company proposes to build a city and invest several million dollars in docks and terminal improvements. The principal shareholders in the Cuba Company are Sir William Van Horne, James J. Hill, William C. Whitney, Henry G. Whitney, E. H. Harriman, Mr. Ryan, of the Seaboard Air Line, T. Sanford Beatty, Harry Terry, Mr. Bull, and G. M. Dodge.

OTHER FOREIGN HOLDERS OF SUGAR ESTATES.

Carmen, Macuriges, C. Heckmann, agent for H. Moenck (German).
Dos Hermanas, Cruces, Fowler heirs (English).
El Carmen, Gibara, Manuel de Silva (Portuguese).
Hatillo, Santiago de Cuba, Lautelade & Co. (French).
Lequeito, Cartagena, Sociedad Ferrocarriles y Centrales Reunidos, Directon, Augustin Goitzolo (English).
Margarita y Teresa, ———, Scull heirs (German).
Marina, Calabazar de Sagua, Jose M. Faville (French).
Nena, Manguita, Antonio Gomez Arajo (Portuguese).
San Agustin, Lajas, Sociedad F. C. y Centrales Reunidos (English).[2]
San Antonio, Guantanamo, Louis Redon (French).
San Sebastian, Alto Songo, Brooks & Co. (English).
Romelie, Guantanamo, Brooks & Co. (English).
Santa Ysabel ,Manzanillo, Brooks & Co. (English).
Soledad, Guantanamo, Brooks & Co. (English).[2]
Santa Teresa, Sagua, Rivalta heirs (French).
Santa Catarina, Union de Reyes, M. Heydecker (German).
Santo Tomas, Potrerillo, Manuel de Silva (Portuguese).
Union, Santiago de Cuba, Santiago Rousseau (French).

Well-informed Germans claim that German capital to the extent of $200,000,000 is invested in Cuba, and it is acknowledged that German interests control the tobacco trade, despite recent heavy investments of American capital.

B.—Commerce of the United States with Cuba, by Principal Articles, during the Years Ending June 30, 1890 to 1900.

EXPORTS FROM THE UNITED STATES TO CUBA.[1]

ARTICLES.		1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900
DOMESTIC EXPORTS.												
AGRICULTURAL AND OTHER PRODUCTS.												
Animals	dolls..	12,820	42,631	25,513	29,411	42,508	24,163	121,881	433,089	1,582,421	2,367,794	2,983,766
Breadstuffs:												
Bread and biscuit	lbs....	362,820	261,853	346,415	468,613	582,232	266,868	182,358	184,400	131,136	687,994	1,555,530
	dolls..	24,195	17,930	23,451	31,650	34,596	17,719	11,941	9,992	8,270	37,662	79,592
Corn	bush..	594,542	367,324	627,177	1,041,474	1,136,657	392,204	199,193	689,845	1,055,512	636,106	1,285,726
	dolls..	258,775	220,187	369,131	582,050	571,326	216,602	93,201	247,905	415,803	293,507	568,990
Corn meal	bbls ..	6,398	856	1,234	1,225	2,016	352	629	1,912	7,039	4,403	3,098
	dolls..	19,116	2,909	4,543	4,001	6,293	1,074	1,748	3,741	14,077	8,943	6,723
Oats	bush..	52,229	21,837	58,191	59,615	74,735	44,807	7,732	30,996	8,458	312,633	302,986
	dolls..	17,198	10,598	25,286	24,202	29,856	17,655	2,321	8,565	2,754	113,257	105,296
Wheat flour	bbls ..	255,820	114,447	366,175	616,406	662,248	379,856	176,724	132,738	245,293	447,413	573,012
	dolls..	1,164,538	591,886	1,826,348	2,821,557	2,473,805	1,301,079	647,057	564,638	1,160,736	1,739,165	2,047,652
All other	dolls..	36,795	31,469	56,272	48,747	48,665	14,881	18,524	52,936	79,643	113,638	103,632
Total	dolls..	1,520,617	874,979	2,305,031	3,512,207	3,164,541	1,569,010	896,673	1,320,866	1,681,283	2,306,172	2,914,885
Fruit:												
Apples, dried	lbs....	250	.....	1,350	.....	.....	150	.....	.....	950	5,573	2,511
	dolls..	14	.....	121	.....	.....	9	.....	.....	49	404	199
Green or ripe	bbls ..	2,928	752	21,130	15,221	7,288	6,366	5,853	6,541	3,403	3,170	8,361
	dolls..	10,009	3,181	48,977	45,229	25,819	18,186	15,315	12,121	12,244	13,495	27,047
Preserved	dolls..	13,916	11,753	33,609	53,210	59,126	40,335	23,574	19,392	11,418	24,533	19,623
All other, including nuts	dolls..	9,861	7,209	19,761	28,515	22,030	11,581	15,590	16,006	14,464	26,162	37,702
Total	dolls..	33,800	22,143	102,468	126,954	106,975	70,111	54,479	47,519	38,175	64,594	84,571

[1] Summary of Commerce and Finance, July, 1901, p. 237.

ARTICLES.	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900
DOMESTIC EXPORTS.											
AGRICULTURAL AND OTHER PRODUCTS.											
Glue..... lbs....	48,868	39,496	52,404	41,973	59,610	34,592	22,333	41,272	27,525	72,982	87,815
Glue..... dolls..	6,271	5,307	7,436	5,484	7,253	4,146	2,864	4,905	3,297	7,505	10,601
Grease, etc..... dolls..	27,992	28,746	44,319	22,650	34,849	24,605	7,128	6,793	10,085	27,566	52,146
Hair, and manufactures of..... dolls..	1,461	2,650	2,153	780	512	1,501	2,252	789	1,625	497	580
Hay..... tons ..	1,020	1,227	2,598	3,130	5,164	2,919	5,840	3,579	1,939	3,910	2,335
Hay..... dolls..	15,749	18,389	41,533	54,791	87,700	43,851	85,652	49,728	30,323	53,767	29,200
Hides, etc., other than furs..... dolls..	305	465	223	549	711	.....	.....	40	.....	170	685
Hops..... lbs....	5,082	4,228	5,889	5,890	3,927	6,219	2,645	2,242	3,097	7,251	3,824
Hops..... dolls..	810	1,307	1,358	1,387	855	920	295	247	389	1,532	567
Oils:											
Animal..... galls..	7,715	7,584	13,939	9,871	12,310	11,721	3,239	580	8,656	4,367	9,629
Animal..... dolls..	3,700	3,805	6,805	6,398	6,081	4,955	1,317	232	2,870	1,794	4,112
Vegetable—cotton and linseed.... galls..	1,539	3,744	75,620	72,184	55,039	15,080	714	1,672	10,249	89,983	133,661
Vegetable—cotton and linseed.... dolls..	946	1,925	19,240	22,937	20,569	5,563	385	578	3,097	28,471	37,867
Provisions, comprising meat and dairy products:											
Meat products—											
Beef, canned.. lbs....	1,056	6,288	399,358	588,135	119,054	20,486	23,484	32,686	81,046	144,680	74,229
Beef, canned.. dolls..	84	531	34,840	49,878	10,139	1,624	1,778	2,508	6,412	13,698	5,412
Salted or pickled and other cured..... lbs....	56,400	63,500	234,200	64,036	84,938	21,400	26,150	91,000	279,289	592,104	269,189
Salted or pickled and other cured..... dolls..	2,663	2,676	12,215	3,259	4,948	1,141	1,277	4,141	13,720	29,614	15,795
Tallow..... lbs....	23,438	40,268	490,376	717,506	1,246,688	802,425	618,505	566,729	404,767	497,920	62,017
Tallow..... dolls..	1,394	2,068	19,306	29,674	56,700	35,432	24,285	20,958	13,231	19,165	3,065
Hog products—											
Bacon..... lbs....	4,381,370	5,423,621	6,612,210	6,977,298	6,154,077	5,137,535	6,168,201	10,581,819	10,736,382	11,353,301	12,308,661
Bacon..... dolls..	290,209	351,955	453,624	556,747	532,035	390,454	386,475	574,402	672,008	643,381	777,045
Hams..... lbs....	2,027,956	2,141,208	4,766,133	5,834,286	5,272,640	3,929,994	3,408,718	4,012,433	3,532,940	6,227,486	7,087,793
Hams..... dolls..	260,592	234,458	529,328	761,082	668,959	420,215	348,065	374,185	365,243	559,584	676,908
Pork, pickled.. lbs....	570,600	547,160	696,800	685,810	626,033	462,640	195,600	222,660	267,600	747,166	6,387,997
Pork, pickled.. dolls..	34,300	33,315	43,911	59,276	52,333	32,586	10,286	10,005	14,103	39,186	407,527
Lard..... lbs....	33,142,436	32,054,107	43,982,187	42,683,652	42,340,578	30,627,512	26,218,302	25,717,489	20,139,515	27,291,504	34,736,167
Lard..... dolls..	2,233,821	2,079,534	2,974,545	4,023,917	3,625,545	2,209,067	1,551,185	1,255,183	1,027,657	1,472,604	2,183,001
All other meat products..... dolls	21,641	24,816	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Dairy products—											
Butter	lbs.	143,433	101,130	165,833	234,156	121,179	53,305	49,982	58,120	12,715	585,840	255,473
	dolls.	21,219	18,119	33,570	49,257	27,038	11,598	10,080	10,475	8,087	99,497	45,469
Cheese	lbs.	62,708	90,275	202,611	225,421	215,021	52,680	42,896	64,869	219,531	635,225	334,428
	dolls.	9,686	12,910	27,478	32,494	30,835	8,361	7,508	11,284	25,888	76,884	42,077
Milk	dolls.	22,193	17,226	27,298	46,347	41,732	39,777	63,852	70,485	114,230	364,162	442,610
Total	dolls.	2,907,802	2,787,608	4,214,481	5,700,536	5,140,215	3,245,854	2,466,677	2,421,715	2,372,287	3,540,722	5,214,964
Seeds	dolls.	2,220	3,054	3,296	3,810	4,196	3,957	3,311	3,458	2,612	4,190	4,583
Vegetables:												
Beans and peas	bush.	82,643	50,466	145,162	183,977	120,738	101,833	107,405	312,381	275,223	275,730	257,713
	dolls.	200,595	115,930	282,391	392,962	268,265	203,979	148,579	276,635	380,199	421,593	395,647
Onions	bush.	221	.....	11,065	8,348	1,657	25	9,556	1,980	2,938	34,934	15,701
	dolls.	195	.....	8,653	7,602	1,448	30	6,966	1,767	2,923	32,071	11,227
Potatoes	bush.	147,932	175,891	337,928	666,648	573,069	355,526	398,491	580,923	327,779	348,331	464,733
	dolls.	108,153	168,354	228,079	554,153	496,875	274,853	217,315	331,553	285,082	280,101	381,418
Other	dolls.	13,412	10,137	21,206	23,544	30,876	22,802	13,932	16,999	16,802	40,221	36,098
Total	dolls.	322,355	294,421	540,329	978,261	797,464	501,664	386,792	626,954	685,006	773,986	824,390
Wine	dolls.	766	451	907	1,018	864	507	221	289	84	17,672	5,983
All other products of agriculture	dolls.	10,376	31,847	28,867	25,179	25,660	30,721	18,648	143,898	327,122	603,081	640,531
Total agricultural products	dolls.	4,867,990	4,119,728	7,343,959	10,492,352	9,440,953	5,531,528	3,926,694	4,628,011	6,740,673	9,799,513	12,809,431
Agricultural implements	dolls.	126,492	55,618	84,442	130,341	118,269	38,461	26,826	3,624	7,817	43,104	175,816
Cars, passenger and freight, for steam railroads	No.	532	1,243	561	840	696	962	74	.....	.....	.....	.....
	dolls.	163,455	337,153	177,605	271,571	197,563	273,100	28,533	9,202	12,933	81,822	79,723
Cotton, manufactures of:												
Cloths, colored and uncolored	yds.	607,642	310,086	452,086	708,667	561,257	235,824	210,113	291,263	138,662	9,001,836	7,307,199
	dolls.	85,481	55,911	48,873	75,359	57,422	24,394	23,552	25,008	12,163	447,839	445,010
All other	dolls.	54,837	45,888	65,239	72,819	62,761	43,047	40,282	42,444	10,791	112,580	167,242
India rubber and gutta-percha, manufactures of	dolls.	26,517	29,354	27,388	42,879	54,806	43,131	28,342	27,257	22,906	55,048	73,802

EXPORTS FROM THE UNITED STATES TO CUBA.—*Continued.*

ARTICLES.	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900
DOMESTIC EXPORTS.											
AGRICULTURAL AND OTHER PRODUCTS.											
Iron and steel, manufactures of:											
Car wheels..... No....	2,964	2,870	4,808	2,167	1,418	1,565	314	387	484	932	1,189
dolls..	27,475	26,145	47,053	18,073	12,309	11,846	3,412	2,782	2,734	10,001	12,296
Cutlery..... dolls..	9,076	4,436	7,277	21,094	23,037	10,497	6,874	6,773	4,882	20,431	24,599
Firearms..... dolls..	9,964	5,162	3,883	3,055	3,080	525	6,147	2,315	5,183	8,283	6,046
Machinery, not elsewhere specified.. ..... dolls..	1,154,090	1,317,256	1,952,740	2,792,050	1,587,706	1,286,473	286,854	55,069	219,413	254,031	1,272,164
Nails and spikes—											
Cut..... lbs....	2,610,151	1,390,294	1,968,024	5,387,910	5,356,790	1,764,285	1,044,165	1,352,600	894,900	2,043,873	2,707,070
dolls..	56,869	30,694	39,093	107,002	105,160	25,349	20,797	25,016	13,554	33,148	57,771
Wire, wrought, horse-shoe, and all other, including tacks.. lbs...	167,997	109,015	121,251	335,552	581,657	394,031	280,301	360,901	403,371	1,163,716	947,383
dolls..	12,980	9,375	9,623	20,581	24,210	15,480	12,727	18,456	13,625	30,407	40,160
Railway bars of iron or steel... tons..	1,209	934	1,067	10,544	11,717	4,633	1,137	688	2,778	5,609	8,211
dolls..	44,267	32,249	35,167	327,411	340,457	121,662	29,787	14,650	69,746	109,942	245,065
Saws and tools.... dolls.	138,894	107,291	130,393	243,544	192,578	97,369	34,979	34,686	26,968	166,061	222,417
Steam engines and parts of—											
Stationary engines.... ..... No...	49	73	151	214	123	43	12	5	7	13	66
dolls.	45,992	46,776	77,264	130,652	62,830	30,629	5,096	1,189	1,553	8,048	32,008
Wire..... lbs...	4,847,225	3,342,466	3,695,446	12,052,015	10,917,995	3,130,290	587,144	1,829,406	408,310	3,196,189	5,578,868
dolls..	170,333	112,357	115,583	321,120	248,027	65,992	11,542	35,905	7,587	69,657	162,756
Leather and manufactures of:											
Leather..... dolls..	19,871	21,136	22,894	10,082	7,993	7,539	5,651	1,217	2,298	15,795	39,826
Manufactures of—											
Boots and shoes pairs.	117,447	98,860	209,169	93,750	66,732	47,040	25,498	11,385	8,285	187,942	265,320
dolls.	114,676	100,733	193,776	114,943	82,554	53,606	34,992	15,195	9,934	214,944	248,937
Harness and saddles.... ... dolls..	33,234	30,728	33,369	22,584	29,574	20,891	27,432	16,512	6,739	12,110	20,923
All other..... dolls..	26,549	20,202	27,347	33,867	24,346	17,562	7,406	6,839	10,345	38,068	33,523
All other articles.... dolls..	5,480,467	5,421,404	7,179,443	8,352,715	7,179,602	4,814,179	2,734,483	2,627,607	2,033,632	5,517,022	9,067,293
Total domestic exports..... ..... dolls..	12,669,509	11,929,605	17,622,411	23,604,094	19,855,237	12,533,260	7,312,348	7,599,757	9,233,894	17,247,952	25,236,808
Total foreign exports. dolls..	414,906	295,283	331,159	553,604	270,084	274,401	218,532	660,019	327,762	1,368,425	1,276,592
Total exports of merchandise..... dolls..	13,084,415	12,224,888	17,953,570	24,157,698	20,125,321	12,807,661	7,530,880	8,259,776	9,561,656	18,616,377	26,513,400

IMPORTS INTO THE UNITED STATES FROM CUBA.*

ARTICLES.		1890	1891	1892	1893
FREE OF DUTY.					
Asphaltum	lbs.	5,405,010	4,065,931	10,102,400	6,184,640
	dolls.	27,492	34,065	29,208	25,992
Chemicals, drugs, and dyes	dolls.	45,177	369,617	272,529	377,269
Fruits, including nuts:					
Bananas	dolls.	1,223,478	1,070,764	1,535,951	1,641,387
Cocoanuts	dolls.	206,855	226,912	98,464	147,394
All other	dolls.	319,292	321,791	487,616	559,019
Hides and skins other than fur skins	dolls.	283,627	354,683	274,510	279,153
Sugar and molasses:					
Molasses	galls.	(1)	[1]13,920,205	17,955,368	11,861,618
	dolls.	(1)	[1]1,428,970	1,803,847	1,081,034
Sugar	lbs.	(1)	[1]658,502,905	1,983,534,689	1,843,651,095
	dolls.	(1)	[1]21,453,546	60,838,552	60,637,631
Textile grasses: Sisal grass	tons	(1)	[1]490	825	18
	dolls.	(1)	[1]43,090	108,313	2,314
Wood, unmanufact'd	dolls.	515,020	576,953	525,169	1,071,123
All other free articles	dolls.	140,770	164,111	166,676	227,053
Total free of duty	dolls.	2,761,711	26,044,502	66,140,835	66,049,369
DUTIABLE.					
Fruits, includ'g nuts	dolls.	46,261	80,299	60,981	41,723
Iron ore	tons	287,322	326,043	265,993	413,999
	dolls.	566,417	847,250	679,626	641,943
Spirits, distilled	pf. gall	15,182	19,303	36,077	7,245
	dolls.	18,568	31,283	27,803	19,419
Sugar, and molasses:					
Molasses	galls.	24,918,292	[2]3,051,623	(2)	(2)
	dolls.	3,679,076	[2]361,294	(2)	(2)
Sugar	lbs.	1,041,075,621	[2]772,063,570	[2]5,333	(2)
	dolls.	35,420,594	[2]23,585,967	[2]213	(2)
Tobacco:					
Leaf	lbs.	16,916,695	16,092,108	18,432,323	21,694,881
	dolls.	7,106,233	7,141,465	7,997,015	8,940,058
Manufactures of	dolls.	3,982,007	3,343,139	2,805,675	2,787,030
Vegetables	dolls.	39,049	87,645	62,639	67,042
All other dutiable articles	dolls.	181,675	191,551	156,884	159,922
Total dutiable	dolls.	51,039,880	35,669,893	11,790,836	12,657,137
Total imports	dolls.	52,801,591	61,714,395	77,931,671	78,706,506
Gold		907,255	2,915,259	1,803,410	1,024,950
Silver		283,220	154,391	494,707	199,003

* Summary of Commerce and Finance, July, 1901, p. 236.

[1]See "Dutiable." [2]See "Free of duty."

IMPORTS INTO THE UNITED STATES FROM CUBA.

ARTICLES.		1894	1895	1896	1897
FREE OF DUTY.					
Asphaltum	lbs.	4,307,520	1,594,880	952,000	499,520
	dolls.	10,724	15,440	7,628	4,180
Chemicals, drugs and dyes	dolls.	135,920	81,424	32,312	5,273
Fruits, including nuts:					
Bananas	dolls.	1,277,406	826,615	929,865	147,133
Cocoanuts	dolls.	91,459	[1]2,428	([1])	([1])
All other	dolls.	533,571	35,009	11,568	7,289
Hides and skins other than fur skins	dolls.	132,221	77,484	184,281	692,122
Sugar and molasses:					
Molasses	galls.	15,893,570	2,326,923	182,126	167
	dolls.	1,148,412	136,636	15,365	11
Sugar	lbs.	2,127,497,454	563,170,762	([1])	([1])
	dolls.	63,147,485	15,572,450	([1])	([1])
Textile grasses: Sis. grass	tons.	516	19	7	.....
	dolls.	48,535	2,260	442	.....
Wood, unmanufact'd.	dolls.	681,270	640,774	531,349	63,670
All other free articles	dolls.	211,286	294,245	361,953	350,381
Total free of duty.	dolls.	67,418,289	17,684,765	2,074,763	1,270,059
DUTIABLE.					
Fruits, including nuts	dolls.	18,704	243,771	237,561	171,436
Iron ore	tons.	150,964	235,629	427,987	392,048
	dolls.	199,818	294,908	521,310	475,281
Spirits, distilled	pf. gall	3,278	4,009	3,478	3,270
	dolls.	8,799	9,081	7,493	8,295
Sugar and molasses:					
Molasses	galls.	([2])	[2]10,029,816	1,528,035	79,054
	dolls.	([2])	[2]635,681	113,109	5,437
Sugar	lbs.	[2]4,865	[2]1,282,591,861	1,093,171,312	577,790,173
	dolls.	[2]260	[2]24,527,730	24,102,835	11,982,473
Tobacco:					
Leaf	lbs.	14,578,248	20,175,620	26,771,317	4,410,073
	dolls.	5,828,964	7,271,794	10,613,468	2,306,067
Manufactures of	dolls.	2,052,504	2,040,186	2,093,884	1,971,214
Vegetables	dolls.	46,028	46,435	40,265	16,696
All other dutiable articles	dolls.	104,895	116,908	213,042	199,857
Total dutiable.	dolls.	8,259,972	35,186,494	37,942,967	17,136,756
Total imports.	dolls.	75,678,261	52,871,259	40,017,730	18,406,815
Gold		7,305,375	3,550,756	5,188,132	4,454,032
Silver		38,146	39,348	12,541	67,652

[1] See "Dutiable." [2] See "Free of duty."

IMPORTS INTO THE UNITED STATES FROM CUBA.

ARTICLES.		1898	1899	1900
FREE OF DUTY.				
Asphaltum	lbs.	.....	.....	1,238,720
	dolls.	.....	.....	14,009
Chemicals, drugs and dyes	dolls.	2,004	1,552	3,874
Fruits, including nuts:				
Bananas	dolls.	.....	61,258	158,049
Cocoanuts	dolls.	163	30,558	83,959
All other	dolls.	3,530	2,179	2,643
Hides and skins, other than fur skin	dolls.	38,147	9	894
Sugar and molasses:				
Molasses	galls.	(1)	(1)	(1)
	dolls.	(1)	(1)	(1)
Sugar	lbs.	(1)	(1)	(1)
	dolls.	(1)	(1)	(1)
Textile grasses: Sisal grass	tons.	.....	146	147
	dolls.	.....	11,979	27,524
Wood, unmanufactured	dolls.	17,576	49,534	439,151
All other free articles	dolls.	214,580	874,444	1,123,270
Total free of duty	dolls.	276,000	1,031,713	1,854,373
DUTIABLE.				
Fruits, including nuts	dolls.	41,633	101,794	132,318
Iron ore	tons.	287,280	222,175	384,793
	dolls.	325,818	275,659	479,888
Spirits, distilled	pf. gall	3,598	2,286	2,840
	dolls.	8,995	4,360	5,347
Sugar and molasses:				
Molasses	lbs.	945,161	3,455,892	5,580,853
	dolls.	85,941	354,455	554,428
Sugar	lbs.	440,225,111	663,543,657	705,456,230
	dolls.	9,828,607	16,412,088	18,243,644
Tobacco:				
Leaf	lbs.	4,401,796	7,829,855	11,403,828
	dolls.	2,883,260	4,964,719	7,615,991
Manufactures of	dolls.	1,450,818	1,951,642	2,191,702
Vegetables	dolls.	5,612	6,953	42,878
All other dutiable articles	dolls.	325,793	305,445	251,135
Total dutiable	dolls.	14,956,477	24,377,115	29,517,331
Total imports	dolls.	15,232,477	25,408,828	31,371,704
Gold		5,165,063	86,383	2,267,696
Silver		2,095	25,161	45,721

[1] See "Dutiable." [2] See "Free of duty."

APPENDIX IV

STATISTICS ON SUGAR

THE WORLD'S PRODUCTION OF BEET AND CANE SUGAR AND AVERAGE PRICE PER POUND FROM 1871-1900.

The following table (taken from World's Sugar Production and Consumption Summary of Commerce and Finance, November, 1902, p. 1269) shows the world's production of beet and cane sugar, respectively, and the grand total in each year from 1871-72 to 1899-1900, also the average price of sugar in foreign markets. The figures if cane-sugar production are those of Willett & Gray, of New York; the beet-sugar figures are those of Licht, of Europe; and those relating to price are obtained from statements supplied by importers into the United States of the cost in foreign countries of the sugars which they import. The figures relating to production are the crop years; those of price, fiscal years.

YEARS.	Beet.	Cane.	Total.	Price.
	Tons.	*Tons.*	*Tons.*	*Cents.*
1871-72	1,020,000	1,599,000	2,619,000	5.37
1872-73	1,210,000	1,793,000	3,003,000	5.35
1873-74	1,288,000	1,840,000	3,128,000	4.95
1874-75	1,219,000	1,712,000	2,931,000	4.35
1875-76	1,343,000	1,590,000	2,933,000	4.04
1876-77	1,045,000	1,673,000	2,718,000	4.91
1877-78	1,419,000	1,825,000	3,244,000	5.06
1878-79	1,571,000	2,010,000	3,581,000	4.16
1879-80	1,402,000	1,852,000	3,244,000	4.18
1880-81	1,748,000	1,911,000	3,659,000	4.41
1881-82	1,782,000	2,060,000	3,842,000	4.41
1882-83	2,147,000	2,107,000	4,254,000	4.37
1883-84	2,361,000	2,323,000	4,684,000	3.61
1884-85	2,545,000	2,351,000	4,896,000	2.67
1885-86	2,223,000	2,339,000	4,562,000	2.84
1886-87	2,733,000	2,345,000	5,078,000	2.50
1887-88	2,451,000	2,465,000	4,916,000	2.75
1888-89	2,725,000	2,263,000	4,988,000	3.21
1889-90	3,633,000	2,069,000	5,702,000	3.28
1890-91	3,710,000	2,555,000	6,265,000	3.03
1891-92	3,501,000	2,852,000	6,353,000	2.93
1892-93	3,428,000	3,045,000	6,473,000	3.09
1893-94	3,890,000	3,490,000	7,380,000	2.92
1894-95	4,792,000	3,530,000	8,322,000	2.15
1895-96	4,315,000	2,830,000	7,155,000	2.29
1896-97	4,954,000	2,864,000	8,818,000	2.01
1897-98	4,872,000	2,898,000	7,770,000	2.55
1898-99	4,977,000	2,995,000	7,973,000	2.39
1899-1900	5,510,000	2,904,000	8,414,000	2.49

B.—Sugar Exports of the World.

Inasmuch as the price of sugar in the world-market is primarily controlled by the surplus product annually exported from the chief sugar-producing countries, the quantities offered by these countries each year furnish the fundamental data for a study of the sugar problem. The following table has been made up by W. Sett Lauck, Esq. It has been partly drawn from the figures given in the Treasury Bureau of Statistics publication (The World's Sugar Production and Consumption) already often referred to. The exceedingly fragmentary character of the figures therein given has, however, made necessary a resort to the following official sources, from which the returns have been gathered, reduced to pounds, and stated in terms of net exports.

Argentine Republic.

"Trade and Navigation," 1880-93.

British Possessions. (Includes Natal, Fiji Islands, British India, British West Indies, British Guiana, Honduras, Maritius. 1880-87.)

"Sugar Trade." "Copy of Report of the Board of Trade, with appendix in continuation of the Statistical Tables contained in Parliamentary Paper No. 353, of Sessions of 1888, and other information. Printed by Order of the House of Commons, May 27, 1889."

Cuba, 1895-1901. Monthly Summary Commerce of the Island of Cuba, Division of Customs and Insular Affairs, War Department.

Census of Cuba. War Department, 1899. Washington, Gov. Printing Office, 1900.

Willett and Gray's Statistical Sugar Trade Journal.

Porto Rico, 1897-1901.

Monthly Summary of the Commerce of Porto Rico. Div. of Customs and Insular Affairs, War Dept..

Summary of Commerce and Finance, Bureau of Statistics, Treasury Department.

Willett and Gray's Weekly Statistical Sugar Trade Journal. ,

Philippine Islands, 1898-99-00.

Summary of the Commerce of the Philippine Islands. Div. of Customs and Insular Affairs, War Dept.

Monthly Summary of Commerce and Finance, Treas. Dept., Bureau of Statistics.

France, 1880-83.

Tableau Décennial des Commerce de la France, 1877 á 1886. Paris, Imprimerie Nationale, 1888.

Egypt, 1880-95. Le Commerce Extérieur de L'Egypte. Imprimerie de L'Etat Major-General Egyptien.

Netherlands, 1880-82.

Revue Statistique pour le Royaume des Pays-Bas, 1850-81, pp. 41-2; 1881, p. 109.

1883-94. Senate Doc. 171, 56th Cong., 2d Session, "Sugar Bounties."

1900-01. Jahr und Adressenbuch der Zuckerfabriken. Oesterreich-Ungarn.

Germany, 1880-92.
Senate Doc. 171, 56th Cong., 2d Sess., "Sugar Bounties."
Belgium, 1880-82; 1898-01. Jahr und Adressenbuch der Zuckerfabriken. Oesterreich-Ungarn.
Austria-Hungary, 1882-88.
Sen. Doc. 171, 56th Cong., 2d Sess., "Sugar Bounties."
1880-82. Ausweise über den Auswärtigen Handel der Oesterreichisch-Ungarischen Monarchie. In Jahren, 1880-82.
Russia, 1898-1900. Sen. Doc. 171, 56th Cong., 2d Sess.

[NET] EXPORTS OF SUGAR FROM THE SUGAR-EXPORTING COUNTRIES OF THE WORLD.

Countries from which Exported.	1880.		1881.	
	Refined.	All other.	Refined.	All other.
Austria Hungary [1]	156,663,726	359,329,077	157,050,854	359,341,422
Belgium	22,341,416	134,019,838	25,299,990	140,759,300
France	273,176,230	52,225,323	243,112,823	82,525,495
Germany [2]	75,419,366	477,787,525	123,590,096	488,191,033
Netherlands [3]	141,462,568	25,793,820	132,368,593	25,132,440
Russia [4]	.....	.....	.....	.....
Canada	.....	.....	.....	.....
Mexico	.....	.....	.....	.....
West Indies:				
British	.....	354,624,700	.....	297,684,200
Cuba	.....	1,094,000,000	.....	967,800,000
Hawaii	.....	63,584,871	.....	93,789,483
Philippine Islands	.....	406,604,380	.....	470,760,080
British Colonies:				
British India [5]	.....	37,324,200	.....	64,453,100
Natal	.....	23,410,700	.....	17,178,700
Fiji Islands [6]	.....	1,186,500	.....	1,367,900
British Honduras	.....	5,614,600	.....	3,861,000
Porto Rico	.....	115,723,863	.....	125,172,778
British Guiana [6]	.....	195,364,800	.....	184,617,000
Argentina	48,353	24,594	.....	3,778
Australia (British):				
Queensland	5,434,000	19,819,800	1,931,000	13,262,700
United States	30,125,146	16,858	22,227,857	24,796
Java [7]	.....	489,912,826	.....	446,599,050
Egypt [8]	.....	74,558,954	.....	.....
Mauritius	.....	216,878,800	.....	217,524,700

	1882.		1883.	
	Refined.	All other.	Refined.	All other.
Austria Hungary [1]	96,305,305	104,661,180	287,610,793	307,923,757
Belgium	30,972,425	138,777,365	21,282,756	210,856,153
France	251,366,600	87,617,283	270,469,146	93,115,690
Germany [2]	119,773,713	559,816,282	162,256,796	861,343,172
Netherlands [3]	133,658,284	24,543,812	153,279,625	48,666,898
Russia [4]	.....	.....	.....	.....
Canada	.....	.....	.....	.....
Mexico	.....	.....	.....	.....
West Indies:				
British	.....	383,921,500	.....	360,786,800
Cuba	.....	1,200,700,000	.....	969,940,000
Hawaii	.....	114,177,938	.....	114,107,155
Philippine Islands	.....	343,273,140	.....	476,489,860
British Colonies:				
British India [6]	.....	98,834,100	.....	142,836,000
Natal	.....	8,281,800	.....	12,707,600
Fiji Islands [6]	.....	3,462,200	.....	10,326,900
British Honduras	.....	5,144,000	.....	4,041,500
Porto Rico	.....	176,381,227	.....	171,154,121
British Guiana [6]	.....	248,203,800	.....	233,271,000
Argentina	.....	.....	.....	.....
Australia (British):				
Queensland	578,500	10,682,200	3,301,400	36,441,200
United States	13,761,069	52,936	26,815,463	1,726,652
Java [7]	.....	597,777,290	.....	617,867,810
Egypt [8]	.....	58,829,917	.....	.....
Mauritius	.....	230,483,400	.....	227,940,000

[1] Crop years, 1882-88.
[2] 1880-91, crop years beginning 1879-80.
[3] Figures from 1883-94, and for 1901, do not include Vergeoises.
[4] Figures for 1880-83 not obtainable.
[5] Raw sugar exports are by sea and include molasses, 1886-1900; sugar of all kinds, 1880-86.
[6] 1880-85, domestic produce.
[7] Crop years 1880-92, beginning 1879-80.
[8] 1880-88, sugar of all kinds.

[NET] EXPORTS OF SUGAR FROM THE SUGAR-EXPORTING COUNTRIES OF THE WORLD.

Countries from which Exported.	1884.		1885.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	283,010,012	245,945,176	291,042,033	479,490,359
Belgium	20,470,751	128,861,623	19,310,203	136,990,895
France	250,607,905	41,340,659	157,994,863	6,135,401
Germany	207,485,488	1,082,846,830	237,877,662	1,220,892,268
Netherlands	195,637,055	33,593,205	175,401,867	20,736,406
Russia	.....	294,016	.....	1,254,134
Canada	.....	.....	.....	.....
Mexico	.....	.....	.....	.....
West Indies:				
British	.....	409,112,400	.....	386,840,100
Cuba	.....	1,121,800,000	.....	1,260,800,000
Hawaii	.....	142,654,923	.....	171,350,314
Philippine Islands	.....	275,351,860	.....	455,819,000
British Colonies:				
British India	.....	177,715,700	.....	125,105,900
Natal	.....	23,571,300	.....	22,580,800
Fiji Islands	.....	17,458,000	.....	21,172,900
British Honduras	.....	4,784,400	.....	3,348,700
Porto Rico	.....	213,555,192	.....	196,121,216
British Guiana	.....	236,718,200	.....	192,117,200
Argentina [9]	.....	.....	.....	.....
Australia (British):				
Queensland	7,115,200	29,747,400	14,333,900	60,492,100
United States	75,920,734	202,079	252,579,077	161,350
Java	.....	683,079,878	.....	827,093,168
Egypt	.....	54,475,667	.....	98,447,978
Mauritius	.....	250,304,700	.....	229,450,600

	1886.		1887.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	262,680,745	151,096,015	380,146,012	224,913,292
Belgium	22,908,450	194,002,676	36,886,498	209,078,869
France	258,436,439	42,872,856	339,339,850	8,697,147
Germany	190,893,006	890,816,029	340,085,344	1,079,548,748
Netherlands	163,545,100	16,111,071	185,996,930	16,961,628
Russia	3,358,416	144,953,568	18,236,560	121,652,992
Canada	.....	.....	.....	.....
Mexico	.....	.....	.....	.....
West Indies:				
British	.....	303,843,300	.....	407,411,100
Cuba	.....	1,410,800,000	.....	1,220,200,000
Hawaii	.....	216,223,615	.....	212,763,647
Philippine Islands	.....	416,190,460	.....	401,293,620
British Colonies:				
British India	.....	95,306,600	.....	100,856,500
Natal	.....	15,339,700	.....	17,762,900
Fiji Islands	.....	23,432,000	.....	25,662,000
British Honduras	.....	1,429,400	.....	1,905,100
Porto Rico	.....	171,154,121	.....	213,555,192
British Guiana	.....	223,710,100	.....	269,748,800
Argentina [9]	.....	.....	.....	14,578
Australia (British):				
Queensland	22,501,600	66,518,400	14,324,100	69,456,900
United States	164,339,967	89,523	190,672,154	132,523
Java	.....	801,861,512	.....	792,220,805
Egypt	.....	84,321,526	.....	.....
Mauritius	.....	236,024,000	.....	193,971,100

[9] 1887-93, sugar of all kinds.

[NET] EXPORTS OF SUGAR FROM THE SUGAR-EXPORTING COUNTRIES OF THE WORLD.

Countries from which Exported.	1888.		1889.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	278,415,627	111,930,539	323,106,176	270,294,983
Belgium	43,412,623	150,474,690	49,736,344	337,939,134
France	255,528,573	91,376,260	308,300,082	263,921,484
Germany	337,208,120	759,949,430	396,392,371	909,230,391
Netherlands	182,374,781	16,711,597	175,831,358	21,275,935
Russia	30,370,192	113,536,128	37,664,816	153,810,841
Canada	.....	.....	.....	.....
Mexico	.....	.....	.....	.....
West Indies:				
British	.....	389,615,600	.....	352,888,800
Cuba	.....	1,260,600,000	.....	1,060,400,000
Hawaii	.....	235,888,346	.....	242,165,835
Philippine Islands	.....	415,088,800	.....	490,393,680
British Colonies:				
British India	.....	97,895,500	.....	130,932,100
Natal	.....	11,774,800	.....	13,978,800
Fiji Islands	.....	33,831,100	.....	23,655,400
British Honduras	.....	1,374,400	.....	1.203,000
Porto Rico	.....	132,467,800	.....	139,778,253
British Guiana	.....	216,244,300	.....	231,174,200
Argentina	.....	95,560	.....	296,501
Australia (British):				
Queensland	15,779,700	26,677,300	8,827,400	39,710,300
United States	34,505,311	140,846	14,167,216	92,198
Java	.....	876,127,881	.....	803,358,445
Egypt	.....	93,377,949	51,018,060	21,632,298
Mauritius	.....	257,677,400	.....	281,079,300

	1890.		1891.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	538,235,653	306,350,827	515,588,802	468,704,573
Belgium	48,259,727	299,581,572	54,404,726	239,494,977
France	336,951,064	396,805,954	266,873,443	325,374,709
Germany	496,538,310	1,088,699,602	519,754,070	1,076,374,785
Netherlands	18,514,956	225,614,787	221,770,184	16,905,172
Russia	41,131,568	136,586,720	29,250,720	84,900,312
Canada	.....	.....	.....	.....
Mexico	.....	.....	.....	.....
West Indies:				
British	.....	603,629,900	.....	532,638,600
Cuba	.....	1,350,400,000	.....	1,639,400,000
Hawaii	.....	259,789,462	.....	274,983,580
Philippine Islands	.....	330,459,080	.....	372,767,500
British Colonies:				
British India	.....	79,597,300	.....	94,057,400
Natal	.....	2,943,300	.....	3,684,600
Fiji Islands	.....	30,582,000	.....	40,941,200
British Honduras	.....	577,200	.....	369,000
Porto Rico	.....	128,234,968	.....	112,897,566
British Guiana	.....	210,967,700	.....	233,937,200
Argentina	.....	221,206	.....	20,220
Australia (British):				
Queensland	14,801,500	66,556,300	10,604,300	71,262,200
United States	27,018,002	207,467	108,228,620	204,854
Java	.....	734,559,492	.....	902,272,233
Egypt	41,638,812	17,620,421	80,059,227	22,860,707
Mauritius	.....	254,797,300	.....	245,620,000

[NET] EXPORTS OF SUGAR FROM THE SUGAR-EXPORTING COUNTRIES OF THE WORLD.

Countries from which Exported.	1892.		1893.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	503,499,675	473,669,333	624,208,229	364,731,228
Belgium	66,023,594	222,859,374	84,153,259	374,929,410
France	279,049,449	195,164,419	250,846,001	307,729,091
Germany	495,617,931	828,735,595	572,121,960	966,031,669
Netherlands	245,090,053	9,374,863	222,565,130	15,198,365
Russia	47,637,136	228,307,286	32,789,696	70,454,512
Canada	.....	.....	.....	.....
Mexico	.....	.....	.....	.....
West Indies:				
British	.....	337,164,800	.....	338,159,100
Cuba	.....	1,962,400,000	.....	1,523,800,000
Hawaii	.....	263,656,715	.....	330,822,879
Philippine Islands	.....	553,148,400	.....	585,801,440
British Colonies:				
British India	.....	79,877,300	4,195,632	115,063,500
Natal	.....	19,442,700	.....	15,206,400
Fiji Islands	.....	37,766,600	.....	30,778,900
British Honduras	.....	175,900	.....	181,000
Porto Rico	.....	92,297,783	.....	.....
British Guiana	.....	225,760,000	.....	215,542,500
Argentina	.....	4,167	.....	40,080
Brazil [10]	.....	177,520,579	.....	114,598,997
Australia (British):				
Queensland	.....	77,049,800	.....	105,057,900
United States	14,604,608	245,783	20,386,872	359,455
Java	.....	958,112,546	.....	941,186,027
Egypt	100,907,245	21,114,592	91,270,602	30,272,053
Mauritius	.....	185,223,600	.....	172,057,400

	1894.		1895.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	789,709,766	203,363,317	775,642,213	135,798,950
Belgium	61,480,088	211,292,095	106,336,699	273,384,061
France	288,540,252	324,878,674	264,333,744	187,845,147
Germany	656,659,751	1,152,959,303	886,912,585	1,052,782,279
Netherlands	229,408,802	11,474,727	244,180,581	18,188,375
Russia	33,981,392	42,539,936	44,851,104	145,061,904
Canada	.....	2,080,173	.....	3,061,636
Mexico	.....	.....	.....	1,160,475
West Indies:				
British	.....	330,906,600	.....	271,261,900
Cuba	.....	2,249,439,360	.....	2,137,551,360
Hawaii	.....	306,684,993	.....	295,784,819
Philippine Islands	.....	435,275,120	.....	517,267,660
British Colonies:				
British India	16,457,952	95,810,700	6,740,048	102,183,200
Natal	.....	13,588,300	.....	12,172,100
Fiji Islands	.....	54,530,700	.....	46,419,800
British Honduras	.....	8,300	.....	2,100
Porto Rico	.....	106,723,699	.....	132,147,277
British Guiana	.....	205,004,000	.....	202,320,000
Argentina	.....	17,857	.....	184,440
Brazil [10]	.....	258,447,122	.....	180,262,039
Australia (British):				
Queensland	.....	129,820,000	.....	134,412,000
United States	14,778,416	690,080	8,833,522	695,486
Java	.....	1,100,479,600	.....	1,084,881,255
Egypt	112,435,495	11,891,235	121,573,108	(Inc. in Ref.)
Mauritius	.....	274,495,300	.....	231,152,000

[10] Exports to United States only. This covers the bulk of the exports.

[NET] EXPORTS OF SUGAR FROM THE SUGAR-EXPORTING COUNTRIES OF THE WORLD.

Countries from which Exported.	1896.		1897.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	675,297,639	365,571,181	910,059,080	226,163,200
Belgium	115,953,570	280,875,917	125,630,641	394,715,999
France	244,190,314	247,479,597	315,204,889	682,012,851
Germany	857,205,000	1,290,504,497	965,849,810	1,502,469,953
Netherlands	272,973,519	17,406,265	267,957,631	32,038,978
Russia	55,086,912	149,828,688	50,665,136	440,096,944
Canada	.....	985,562	.....	2,470,307
Mexico	.....	4,066,713	.....	1,093,887
West Indies:				
British	.....	304,286,000	.....	303,231,900
Cuba	.....	414,917,440	.....	471,976,960
Hawaii	.....	443,569,282	.....	520,158,232
Philippine Islands	.....	515,006,520	.....	452,687,620
British Colonies:				
British India	4,696,608	109,720,200	7,051,856	54,889,500
Natal	.....	3,577,800	.....	767,900
Fiji Islands	.....	54,667,700	.....	53,981,200
British Honduras	.....	23,500	.....	4,600
Porto Rico	.....	122,946,335	.....	120,960,000
British Guiana	.....	214,147,500	.....	201,679,500
Argentina	.....	48,559,241	.....	92,006,558
Brazil	.....	191,457,878	.....	140,773,692
Peru	.....	.....	.....	2,863,350
Australia (British):				
Queensland	.....	150,750,000	.....	124,834,000
United States	9,106,259	296,265	7,197,355	1,107,864
Java	.....	1,256,341,616	.....	1,102,208,007
Egypt	145,618,625	16,633,802	141,306,476	19,450,458
Mauritius	.....	304,152,500	.....	272,270,000

	1898.		1899.	
	Refined.	All other.	Refined.	All other.
Austria Hungary	937,060,820	54,471,256	1,137,738,945	301,915,560
Belgium	105,261,036	275,808,687	105,406,335	413,847,512
France	279,695,397	347,817,337	329,001,276	419,819,775
Germany	1,075,830,030	1,139,028,857	937,831,900	1,088,039,100
Netherlands	277,464,064	24,006,326	259,830,701	29,719,115
Russia	64,857,260	198,448,920	75,023,020	205,011,900
Canada	.....	2,794,720	.....	2,430,490
Mexico	.....	106,306	.....	615,544
West Indies:				
British	.....	286,170,100	.....	280,563,400
Cuba	.....	580,603,520	.....	710,410,891
Hawaii	.....	444,963,036	.....	545,370,537
Philippine Islands	.....	2,859,661	.....	194,226,620
British Colonies:				
British India	4,243,344	28,966,800	4,620,560	56,018,500
Natal	.....	2,792,900	.....	18,293,200
Fiji Islands	.....	68,312,600	.....	56,805,700
British Honduras	.....	3,100	.....	89,100
Porto Rico	.....	120,512,000	.....	99,160,293
British Guiana	.....	193,296,500	.....	169,565,500
Argentina	.....	45,898,841	.....	58,865,026
Brazil	.....	139,426,195	.....	41,222,162
Peru	.....	8,544,857	.....	50,080,303
Australia (British):				
Queensland	.....	246,114,000	.....	218,092,000
United States	6,047,608	460,682	9,462,228	403,119
Java	.....	1,244,278,453	.....	1,659,799,248
Egypt	115,020,340	12,144,012	132,800,035	9,156,211
Mauritius	.....	304,215,400	.....	324,614,400

[NET] EXPORTS OF SUGAR FROM THE SUGAR-EXPORTING COUNTRIES OF THE WORLD.

Countries from which Exported.	1900.	
	Refined.	All other.
Austria Hungary	1,140,992,934	292,228,548
Belgium	116,109,668	546,335,153
France	178,214,693	799,599,501
Germany	938,513,872	1,241,179,879
Netherlands	259,738,384	37,167,883
Russia	93,004,430	359,328,570
Canada	.....	816,167
Mexico		
West Indies:	.....	.....
British	.....	252,102,300
Cuba	52,207	696,283,249
Hawaii [11]	.....	344,531,173
Philippine Islands		
British Colonies:	11,200	163,941,204
British India	3,761,632	27,550,200
Natal	.....	15,529,000
Fiji Islands	.....	65,922,000
British Honduras	.....	26,500
Porto Rico	.....	78,400,000
British Guiana	.....	189,490,900
Argentina	.....	.....
Brazil	.....	89,684,600
Peru	.....	75,155,975
Australia (British):		
Queensland	.....	125,686,000
United States	22,192,351	322,252
Java	.....	1,656,503,371
Egypt	108,990,028	9,461,607
Mauritius	.....	344,011,000

[11] Year 1900 extends to June 14, 1900. Year 1901 extends from June 14, 1900 to June 30, 1901.

[Compiled mainly from information supplied by Messrs. Rueb & Co., London, England.] *

[In gross tons of 2,240 pounds.]

COUNTRIES.	1884	1885	1886	1887	1888	1889	1890	1891	1892	1893	1894
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
Java	338,866	396,372	328,577	398,831	370,973	353,104	365,798	456,615	485,135	458,300	455,595
Dutch and French Guiana	7,289	4,530	6,283	8,458	6,207	7,508	8,113	7,867	[1] 8,000	[1] 8,000	[1] 8,000
Cuba	560,934	631,967	731,723	646,588	656,719	547,792	675,233	819,760	981,200	761,900	968,750
Manila	122,925	203,490	181,148	173,918	184,567	218,843	147,524	166,460	[1] 160,000	[1] 160,000	[1] 160,000
Porto Rico	98,665	70,000	63,914	81,355	60,087	62,403	58,167	47,345	69,400	49,360	59,700
Brazil	268,335	190,000	249,821	270,692	230,384	120,000	175,407	159,006	190,900	207,500	267,180
Martinique	49,370	38,786	30,199	39,582	39,434	35,965	35,093	32,376	19,472	32,725	33,975
Guadeloupe	55,257	41,131	36,678	54,940	48,354	45,173	46,430	48,112	46,935	41,650	41,997
Reunion	37,800	37,973	34,732	31,389	32,031	25,418	36,165	39,410	39,685	35,500	36,885
Louisiana	128,443	94,375	127,958	90,562	167,814	162,264	143,745	219,415	163,700	217,470	233,570
Egypt	37,587	45,035	51,700	48,283	42,075	32,742	26,715	46,410	57,460	57,700	75,075
Mauritius	120,539	127,540	114,198	102,398	124,073	132,171	124,564	130,251	111,880	70,400	134,875
British India	82,749	54,349	59,253	48,606	51,437	51,687	60,592	50,991	[1] 55,000	[1] 55,000	[1] 55,000
Natal	17,172	16,000	13,250	9,060	6,005	7,129	7,044	7,800	15,803	19,369	20,401
Australia	59,869	87,245	87,000	107,000	[1] 100,000	[1] 100,000	[1] 100,000	[1] 100,000	[1] 100,000	[1] 100,000	[1] 100,000
Jamaica	29,868	25,361	25,000	28,756	25,014	22,359	30,273	30,000	28,375	26,300	27,985
Barbados	53,722	56,200	40,780	61,895	63,108	57,226	76,092	44,345	54,850	62,550	61,046
Trinidad	61,875	64,634	49,175	69,140	55,777	49,940	54,083	46,104	48,575	48,800	49,890
British Guiana	125,322	96,058	111,856	134,875	108,076	108,367	103,113	119,289	114,880	109,771	104,502
Peru	6,529	31,719	35,000	30,000	[1] 35,000	[1] 30,000	[1] 40,000	[1] 40,000	44,750	63,600	66,660
Hawaii	63,948	76,496	92,050	101,712	115,307	125,450	120,686	126,000	125,000	134,675	137,600
Total of above countries	2,327,084	2,390,161	2,470,295	2,538,040	2,522,442	2,295,541	2,434,837	2,747,556	2,921,300	2,720,570	3,098,686
Fiji	.....	.....	.....	.....	17,254	23,000	15,497	20,859	17,202	[1] 17,000	[1] 17,000
Minor British West India possessions and British Honduras	56,921	44,387	44,518	51,617	51,162	53,004	50,653	44,123	[2] 46,784	[2] 42,161	[2] 42,088
China	113,613	93,657	86,586	118,000	61,506	60,130	57,944	52,530			
Japan	.....	.....	.....	.....	[1] 40,000	[1] 40,000	[1] 40,000	[1] 45,000			
Mexico	.....	.....	34,500	30,000	[1] 30,000	[1] 30,000	[1] 30,000	[1] 20,000			
Argentina	20,000	25,280	28,000	33,000	[1] 33,000	[1] 30,000	[1] 30,000	[1] 15,000	[1] 180,000	[1] 180,000	[1] 180,000
Haiti	8,529	15,484	12,269	11,946	17,083	17,415	21,230	21,000			
Danish West Indies	9,277	12,257	11,130	13,974	14,285	14,835	9,354	9,790			
Other foreign cane-growing countries	12,107	11,421	15,552	10,058	9,073	8,536	8,308	9,043			
Total from cane-growing countries	2,547,531	2,592,647	2,702,850	2,805,735	2,795,805	2,572,461	2,697,823	2,984,901	3,165,286	2,959,731	3,437,774
Europe	2,360,314	2,545,889	2,137,351	2,728,810	2,451,950	2,785,844	3,670,782	3,695,568	3,450,744	3,399,583	3,840,256
Total	4,907,845	5,138,536	4,840,201	5,534,545	5,247,755	5,358,305	6,368,605	6,680,469	6,616,030	6,359,314	7,278,030

* Summary of Commerce and Finance, January, 1902, pp. 2758-59. Bureau of Statistics, Treasury Department.

[1] Estimated.

[2] Exports.

Sugar Crops of the World from 1895 to 1898.

[Estimated by Messrs. Willett & Gray, New York.]

[In gross tons of 2,240 pounds.]

	1894-95	1895-96	1896-97	1897-98
	Tons.	*Tons.*	*Tons.*	*Tons*
United States:				
Louisiana	317,306	237,720	282,009	310,4
Porto Rico	52,500	50,000	58,000	54,0
Hawaiian Islands	131,698	201,632	224,220	204,8
Cuba, crop	1,040,000	240,000	219,500	314,0
British West Indies:				
Trinidad, exports	56,641	58,000	53,000	53,0
Barbados, exports	32,343	47,800	52,178	47,8
Jamaica	30,000	30,000	30,000	30,0
Antigua and St. Kitts	20,000	24,000	29,000	25,0
French West Indies:				
Martinique, exports	29,000	35,000	35,000	35,0
Guadeloupe	43,000	45,000	45,000	45,0
Danish West Indies:				
St. Croix	7,000	8,000	13,058	13,0
Haiti and Santo Domingo	38,000	50,000	48,800	48,0
Lesser Antilles, not named above	8,000	8,000	8,000	8,0
Mexico, crop	2,000	2,000	2,000	2,0
Central America:				
Guatemala, crop	.....	.....	8,000	9,0
San Salvador, crop	500	500	3,000	4,0
Nicaragua, crop	500	500	500	1,5
Costa Rica, crop	.....	.....	200	5
South America:				
British Guiana (Demerara), exports	95,919	105,000	99,789	106,0
Dutch Guiana (Surinam), crop	6,000	6,000	6,000	6,0
Venezuela	.....	.....	.....	.....
Peru, exports	68,000	68,000	71,735	105,4
Argentina, crop	90,000	130,000	165,000	110,0
Brazil, crop	275,000	225,000	210,000	195,0
Total in America	2,343,407	1,572,152	1,669,989	1,727,6
Asia:				
British India, exports	50,000	50,000	28,000	20,0
Siam, crop	7,000	7,000	7,000	7,0
Java, crop	486,051	603,259	498,434	531,2
Japan (consumption 170,000 tons, mostly imported)	.....	.....	.....	.....
Philippine Islands, exports	180,000	240,000	202,000	178,0
China (consumption large, mostly imported)	.....	.....	.....	.....
Total in Asia	723,051	900,259	735,434	736,2
Australia and Polynesia:				
Queensland	91,712	75,000	100,774	97,9
New South Wales	35,000	35,000	31,000	26,0
Fiji Islands, exports	27,000	30,000	30,000	30,0
Total in Australia and Polynesia	153,712	140,000	161,774	153,9
Africa:				
Egypt, crop	90,000	92,000	100,000	80,0
Mauritius	115,000	145,000	152,677	121,6
Reunion	35,300	44,700	45,082	31,4
Total in Africa	240,300	276,700	297,759	233,1
Europe—Spain	20,000	20,000	8,000	8,0
Total cane-sugar production (W. & G.)	3,480,470	2,909,111	2,872,956	2,859,0
Europe beet-sugar production (Licht)	4,792,530	4,285,429	4,916,586	4,831,7
United States beet-sugar production (W. & G.)	20,443	30,000	37,536	40,3
Grand total cane and beet sugar, tons	8,293,443	7,224,540	7,827,078	7,731,2

* Summary of Commerce and Finance, January, 1902, pp. 2758-59, Bureau of Statistics, Treasury Department.

Sugar Crops of the World from 1898 to 1902.

[Estimated by Messrs. Willett & Gray, New York.]

[In gross tons of 2,240 pounds.]

	1898-99	1899-1900	1900-1901	1901-1902
United States:	*Tons.*	*Tons.*	*Tons.*	*Tons.*
Louisiana	245,511	132,000	275,000	290,000
Porto Rico	53,826	35,000	80,000	100,000
Hawaiian Islands	252,507	258,521	321,461	300,000
Cuba, crop	345,260	308,543	635,856	875,000
British West Indies:				
Trinidad, exports	53,430	41,000	50,000	50,000
Barbados, exports	45,789	50,000	60,000	60,000
Jamaica	27,000	27,000	30,000	30,000
Antigua and St. Kitts	22,000	18,000	25,000	25,000
French West Indies:				
Martinique, exports	31,630	30,000	32,000	32,000
Guadeloupe	39,390	30,000	35,000	35,000
Danish West Indies:				
St. Croix	12,000	12,000	13,000	13,000
Haiti and Santo Domingo	50,000	45,000	45,000	45,000
Lesser Antilles, not named above	8,000	8,000	8,000	8,000
Mexico, crop	50,000	78,000	93,000	95,000
Central America:				
Guatemala, crop	11,000	12,000	9,000	9,000
San Salvador, crop	4,506	5,000	5,000	5,000
Nicaragua, crop	3,750	4,000	3,500	3,500
Costa Rica, crop	750	1,000	1,500	1,500
South America:				
British Guiana (Demerara), exports	82,000	80,000	95,000	95,000
Dutch Guiana (Surinam), crop	6,000	6,000	6,000	6,000
Venezuela	.....	2,000	3,000	3,000
Peru, exports	61,910	100,381	105,000	105,000
Argentina	72,000	91,507	114,252	115,000
Brazil, crop	154,495	192,700	190,000	215,000
Total in America	1,732,760	1,567,652	2,235,569	2,516,000
Asia:				
British India, exports	10,000	10,000	15,000	15,000
Siam, crop	7,000	7,000	7,000	7,000
Java, crop	689,281	721,993	710,120	765,000
Japan (consumption 170,000 tons, mostly imported)	.....	2,000	.....	.....
Philippine Islands, exports	93,000	62,785	52,000	70,000
China (consumption large, mostly imported)	.....	.....	.....	.....
Total in Asia	799,281	803,778	784,120	857,000
Australia and Polynesia:				
Queensland	164,241	123,289	92,554	117,000
New South Wales	28,000	15,500	19,000	19,000
Fiji Islands, exports	34,000	31,000	33,000	33,000
Total in Australia and Polynesia	226,241	169,789	144,554	169,000
Africa:				
Egypt, crop	87,900	98,500	94,880	95,000
Mauritius	186,487	157,025	175,267	145,000
Reunion	37,781	35,000	35,000	35,000
Total in Africa	312,168	290,525	305,147	275,000
Europe—Spain	25,000	33,215	33,000	33,000
Total cane-sugar production (W. & G.)	3,095,450	2,864,959	3,502,390	3,850,000
Europe beet-sugar production (Licht)	4,982,101	5,518,048	6,068,994	6,710,000
United States beet-sugar production (W. & G.)	32,471	72,944	76,859	150,000
Grand total cane and beet sugar, tons	8,110,022	8,455,951	9,648,243	10,710,000

* Summary of Commerce and Finance, January, 1902, pp. 2758-59, Bureau of Statistics, Treasury Department.

D.—Production of Cane and Beet Sugar in the United States, 1880-1900.

CANE.[1]					BEET.[2]		
Years.	Louisiana.	Other Southern States.	Total.		Years.	Total.	
	Pounds.	*Pounds.*	*Pounds.*	*Long tons.*		*Pounds.*	*Long tons*
1879-80...	198,962,278	8,915,000	207,877,278	92,802	1880..	1,120,000	
1880-81...	272,982,899	12,320,000	285,302,899	127,367	1881-2.	1,120,000	
1881-82...	159,874,950	11,200,000	171,074,950	76,373	1883..	1,198,400	
1882-83...	303,066,258	15,680,000	318,746,258	142,297	1884..	2,134,720	
1883-84...	287,712,230	15,232,000	302,944,230	135,243	1885..	1,344,000	
1884-85...	211,402,963	14,560,000	225,962,963	100,876	1886..	1,792,000	
1885-86...	286,626,486	16,128,000	302,754,486	135,158	1887..	571,200	
1886-87...	181,123,872	10,158,400	191,282,272	85,394	1888..	2,262,400	1,0
1887-88...	353,855,877	22,048,320	375,904,197	167,814	1889..	5,824,000	2,6
1888-89...	324,526,781	20,229,440	344,756,221	153,909	1890..	6,272,000	2,8
1889-90...	287,490,271	18,276,000	305,766,271	136,503	1891..	12,004,160	5,3
1890-91...	483,489,856	13,680,000	497,169,856	221,951	1892..	27,083,840	12,0
1891-92...	360,499,307	10,080,000	370,579,307	165,437	1893..	45,814,720	20,4
1892-93...	452,068,627	11,200,000	463,268,627	206,816	1894..	45,792,320	20,4
1893-94...	595,473,374	15,352,244	610,825,618	272,913	1895..	67,200,000	30,0
1894-95...	710,827,438	18,565,123	729,392,561	325,621	1896..	89,600,000	40,0
1895-96...	532,494,652	11,139,074	543,633,726	242,693	1897-8.	92,617,280	41,3
1896-97...	631,699,561	12,475,762	644,175,323	287,578	1898-9.	76,070,400	33,9
1897-98...	695,101,878	12,850,000	707,951,878	316,183			
1898-99...	549,947,417	7,710,000	557,657,417	248,954			
1899-1900.	329,647,746	4,626,000	334,273,746	149,229			
1900-1901.	616,000,000	6,476,400	622,476,400	277,891			

[1] Monthly Summary of Commerce and Finance.
[2] U. S. Department of Agriculture, Farmer's Bulletin, No. 52, Feb., 1899, p. 4

COUNTRIES FROM WHICH IMPORTED.		1890	1891	1892	1893	1894	1895
BEET SUGAR, NOT ABOVE NO. 13 AND 16.[1]							
Austria-Hungary	lbs.	60,591,333	149,314,794	69,747,884	34,223,342	44,298,878	5,192,498
	dolls.	1,577,244	3,957,310	1,818,915	1,092,440	1,412,795	114,514
Belgium	lbs.	19,329,390	36,242,626	38,919,574	71,187,583	80,479,170	24,338,139
	dolls.	498,858	1,065,409	1,122,854	2,118,381	2,357,754	458,779
France	lbs.	844,956	2,200,496	10,169,204	.....	13,781,594	24,923
	dolls.	21,019	60,755	307,432	.....	422,042	889
Germany	lbs.	512,009,173	461,799,099	173,310,790	325,503,840	354,681,971	301,975,840
	dolls.	16,031,431	12,891,689	4,804,628	9,475,615	11,063,898	6,099,213
Italy	lbs.	.....	.....	.....	2,648,280	.....	.....
	dolls.	.....	.....	.....	82,663	.....	.....
Netherlands	lbs.	2,385,680	4,716,256	463,425	2,147,262	11,735,515	7,703,508
	dolls.		122,180	11,527	57,750	338,722	137,870
Russia	lbs.	.....	.....	.....	.....	.....	.....
	dolls.	.....	.....	.....	.....	.....	.....
United Kingdom	lbs.	5,958,944	4,720,777	523,384	623,536	5,304,413	5,081,194
	dolls.	167,104	134,923	15,814	19,660	195,311	99,811
Total Europe	lbs.	601,119,476	658,994,048	293,134,261	436,333,843	510,281,541	344,316,102
	dolls.	18,348,417	18,232,266	8,081,170	12,846,509	15,790,522	6,911,076
All other countries	lbs.	.....	332	.....	.....	68,735	3,060,630
	dolls.	.....	11	.....	.....	2,519	82,206
Total beet sugar	lbs.	601,119,476	658,994,380	293,134,261	436,333,843	510,350,276	347,376,732
	dolls.	18,348,417	18,232,277	8,081,170	12,846,509	15,793,041	6,993,282
CANE SUGAR, NOT ABOVE NO. 13 AND 16.[1]							
United Kingdom	lbs.	23,609,654	9,927,890	5,954,432	24,425,459	43,591,641	24,312,885
	dolls.	764,435	314,067	165,736	742,747	1,282,249	592,620
Other Europe	lbs.	3,140,676	.....	.....	.....	5,191	.....
	dolls.	89,729	.....	.....	.....	225	.....
Total Europe	lbs.	26,750,330	9,927,890	5,954,432	24,425,459	43,596,832	24,312,885
	dolls.	854,164	314,067	165,736	742,747	1,282,474	592,620

* Summary of Commerce and Finance, January, 1902, Bureau of Statistics, Treasury Department.
[1] Prior to April 1, 1892, not above No. 13, after that date not above No. 16, Dutch standard.

QUANTITY AND VALUE OF RAW SUGAR (BEET AND CANE) IMPORTED INTO THE UNITED STATES, BY COUNTRIES AND GEOGRAPHICAL DIVISIONS, DURING THE YEARS ENDING JUNE 30, FROM 1890 TO 1901.

Continued.

COUNTRIES FROM WHICH IMPORTED.		1890	1891	1892	1893	1894	1895
British Honduras	lbs.	.....	.....	.....	.....	.....	.....
	dolls.	.....	.....	.....	.....	.....	.....
British North America	lbs.	2,273,516	2,642,827	3,052,499	15,120,016	3,462,662	3,670,587
	dolls.	104,162	130,835	154,133	632,777	176,651	140,336
Central America	lbs.	2,851,528	1,663,979	480,260	444,964	1,363,214	577,650
	dolls.	105,633	58,648	14,984	10,255	40,080	6,618
Mexico	lbs.	747,012	1,128,764	1,529,579	1,886,393	2,922,905	2,999,736
	dolls.	27,015	30,149	40,776	48,062	67,685	54,436
West Indies:							
British	lbs.	291,306,725	328,283,727	259,249,713	332,967,481	256,784,785	193,498,237
	dolls.	8,589,677	8,730,936	6,891,166	9,487,434	6,889,657	3,989,614
Cuba	lbs.	1,041,072,929	1,430,541,990	1,983,534,689	1,843,651,095	2,127,497,454	1,845,762,623
	dolls.	35,420,441	45,038,495	60,838,552	60,637,631	63,147,485	40,100,180
Danish	lbs.	13,642,707	7,069,887	9,041,406	13,894,070	15,558,546	9,131,589
	dolls.	474,893	220,530	262,593	431,217	473,153	205,333
Dutch	lbs.	.....	.....	.....	7,129,677	.....	.....
	dolls.	.....	.....	.....	174,482	.....	.....
French	lbs.	4,074,480	345,706	599,808	208,648	335,529	407,706
	dolls.	124,248	9,030	13,222	5,253	12,704	10,996
Haiti	lbs.	.....	1,090,568	21,344	.....	.....	.....
	dolls.	.....	32,995	535	.....	.....	.....
Porto Rico [2]	lbs.	76,926,934	79,957,862	80,474,547	99,578,182	75,484,143	56,352,522
	dolls.	2,750,744	2,414,565	2,308,657	3,227,522	2,392,514	994,073
Santo Domingo	lbs.	47,033,940	40,889,124	62,615,068	64,035,840	89,421,821	66,492,169
	dolls.	1,715,364	1,282,631	2,017,739	2,054,201	2,875,810	1,188,951
Total West Indies	lbs.	1,474,057,715	1,888,178,864	2,395,536,575	2,361,464,993	2,565,082,278	2,171,644,846
	dolls.	49,075,397	57,729,182	72,332,464	76,017,740	75,791,323	46,489,147

[2] Not included in the foreign commerce of the United States after 1900.

Argentina	lbs....	.....	.....	.....	.....	.....	.....
	dolls..	.....	.....	.....	.....	.....	.....
Brazil	lbs....	73,800,970	203,821,351	177,520,579	114,598,997	258,447,122	180,262,039
	dolls..	1,659,251	5,141,109	4,468,145	2,921,946	5,688,714	2,701,287
Colombia	lbs....	.....	1,279	.....	.....	.....	265,790
	dolls..	.....	21	.....	.....	.....	3,347
Ecuador	lbs....	.....	49,750	.....	5,000	.....	308,500
	dolls..	.....	2,794	.....	123	.....	6,907
Guiana:							
British	lbs....	135,971,015	160,521,132	139,570,615	159,061,559	134,455,359	110,848,960
	dolls..	4,323,702	4,866,072	4,360,662	5,017,661	4,216,414	2,517,726
Dutch	lbs....	3,422,571	6,612,127	7,132,576	14,798,065	12,787,452	8,794,544
	dolls..	103,694	195,329	205,887	397,068	426,541	195,589
Peru	lbs....	.....	.....	.....	.....	.....	.....
	dolls..	.....	.....	.....	.....	.....	.....
Venezuela	lbs....	218	.....	.....	.....	.....	.....
	dolls..	5	.....	.....	.....	.....	.....
Total South America	lbs....	213,194,774	371,005,639	324,223,771	288,463,621	405,689,933	300,479,833
	dolls..	6,086,652	10,205,325	9,034,694	8,336,798	10,331,669	5,424,856
China	lbs....	606,644	1,165,896	645,257	617,844	1,493,875	2,867,847
	dolls..	15,407	35,540	20,149	17,128	48,834	83,897
East Indies:							
British	lbs....	.....	.....	42,792	.....	6,832,000	8,908,277
	dolls..	.....	.....	1,142	.....	124,016	94,957
Dutch	lbs....	111,929,287	136,330,103	140,956,946	183,492,832	288,013,620	280,464,270
	dolls..	2,722,320	3,492,136	3,707,210	4,783,268	7,808,871	5,759,436
Hongkong	lbs....	29,367	21,790	264,696	143,248	46,305	164,866
	dolls..	681	565	7,478	4,024	950	3,224
Japan	lbs....	.....	.....	.....	544	195	.....
	dolls..	.....	.....	.....	13	E	.....
All other Asia	lbs....	.....	92	.....	120	.....	2,673,474
	dolls..	.....	1	.....	5	.....	33,762
Total Asia	lbs....	112,565,208	137,517,881	141,909,691	184,254,588	296,385,995	295,078,734
	dolls..	2,738,408	3,528,242	3,735,979	4,804,438	7,982,676	5,975,276

QUANTITY AND VALUE OF RAW SUGAR (BEET AND CANE) IMPORTED INTO THE UNITED STATES, BY COUNTRIES AND GEOGRAPHICAL DIVISIONS, DURING THE YEARS ENDING JUNE 30, FROM 1890 TO 1901.

COUNTRIES FROM WHICH IMPORTED.		1896	1897	1898	1899	1900	1901
BEET SUGAR, NOT ABOVE NO. 13 AND 16.[1]							
Austria-Hungary	lbs.	39,760,435	93,547,897	1,481,834	68,462,705	95,221,922	145,353,364
	dolls.	931,263	1,683,410	34,854	1,459,468	2,108,595	3,348,720
Belgium	lbs.	72,721,085	130,317,484	.....	.....	15,142,873	67,852,487
	dolls.	1,771,977	2,308,793	.....	.....	352,025	1,661,922
France	lbs.	21,417,730	89,771,938	11,088	.....	.....	.....
	dolls.	488,621	1,386,433	156	.....	.....	.....
Germany	lbs.	449,922,637	1,511,401,968	138,084,955	654,843,277	588,933,642	689,921,932
	dolls.	10,404,172	27,636,433	2,656,135	13,808,655	12,290,739	14,884,452
Italy	lbs.	.....	.....	.....	.....	.....	.....
	dolls.	.....	.....	.....	.....	.....	.....
Netherlands	lbs.	7,503,496	24,996,329	1,062,083	.....	.....	.....
	dolls.	159,382	390,843	26,771	.....	.....	1,677,841
Russia	lbs.	.....	815,702	.....	.....	.....	42,744
	dolls.	.....	14,927	.....	.....	.....	90,717
United Kingdom	lbs.	13,355,662	14,703,531	.....	4,480	2,239,776	3,875,990
	dolls.	293,378	267,814	.....	127	49,228	.....
Total Europe	lbs.	604,681,045	1,865,554,849	140,639,960	723,310,462	701,538,213	908,681,614
	dolls.	14,048,793	33,688,653	2,717,916	15,268,250	14,800,587	20,028,555
All other countries	lbs.	5,040	22,646	1,525	25,890	1,239	1,464
	dolls.	121	505	39	1,147	22	20
Total beet sugar	lbs.	604,686,985	1,865,577,495	140,641,485	723,336,352	701,539,452	908,683,078
	dolls.	14,048,914	33,689,158	2,717,955	15,269,397	14,800,609	20,028,575
CANE SUGAR, NOT ABOVE NO. 13 AND 16.[1]							
United Kingdom	lbs.	24,035,776	34,789,357	16,116,058	16,589,537	7,135,681	16,718,584
	dolls.	581,713	737,214	378,091	431,375	179,213	416,901
Other Europe	lbs.	22,062	.....	66,142	1,996,400	.....	2,374
	dolls.	1,084	.....	1,542	41,070	.....	66
Total Europe	lbs.	24,057,838	34,789,357	16,182,200	18,585,937	7,135,681	16,720,598
	dolls.	582,797	737,214	379,633	472,445	179,213	416,967

[1] Prior to April 1, 1892, not above No. 13, after that date not above No. 16, Dutch standard.

British Honduras	lbs.	.....	.....	179,354	51,670	.....	.....
	dolls.	.....	.....	4,483	989	.....	.....
British North America	lbs.	1,216,730	902,757	130,224	159,708	3,869	900
	dolls.	88,065	66,069	6,814	3,859	390	51
Central America	lbs.	136,640	.....	5,390,513	6,019,812	3,907,387	5,505,507
	dolls.	2,464	.....	220,194	153,639	90,600	134,839
Mexico	lbs.	3,680,394	1,412,255	2,893,145	3,088,331	1,891,917	1,357,934
	dolls.	58,342	19,111	44,698	52,978	41,077	35,953
West Indies:							
British	lbs.	217,409,918	322,103,866	231,351,186	264,596,400	200,479,351	232,988,684
	dolls.	4,700,236	5,893,877	4,551,282	5,967,814	4,603,409	5,058,549
Cuba	lbs.	1,093,171,312	576,260,997	440,225,111	663,543,657	705,455,920	1,099,404,363
	dolls.	24,102,835	11,953,987	9,828,607	16,412,088	18,243,635	26,373,690
Danish	lbs.	12,202,619	16,999,347	14,832,891	22,711,543	21,664,980	19,217,052
	dolls.	261,728	316,781	312,443	556,562	544,985	460,694
Dutch	lbs.	1,972,828	86,652	277,260	5,085,441	3,378,637	652,157
	dolls.	48,974	1,761	4,811	136,893	98,014	18,342
French	lbs.	38,581	.....	.....	.....	.....	.....
	dolls.	677	.....	.....	.....	.....	.....
Haiti	lbs.	.....	30,310	170,107	.....	.....	.....
	dolls.	.....	703	2,094	.....	.....	.....
Porto Rico [2]	lbs.	81,582,572	86,607,317	98,417,540	107,202,587	72,558,181	.....
	dolls.	1,707,308	1,577,911	1,912,965	2,495,690	2,449,616	.....
Santo Domingo	lbs.	116,972,841	131,279,582	94,336,444	112,213,037	122,206,692	107,193,244
	dolls.	2,459,302	2,059,169	2,030,239	2,659,456	3,365,061	2,959,067
Total West Indies	lbs.	1,523,350,671	1,133,368,061	879,610,539	1,175,352,665	1,125,743,761	1,459,455,500
	dolls.	33,281,060	21,804,189	18,642,441	28,228,503	29,304,720	34,870,342
Argentina	lbs.	6,330,421	46,940,759	12,428,502	.....	89,684,600	.....
	dolls.	158,754	917,457	2,260,957	.....	1,693,588	.....
Brazil	lbs.	191,457,878	140,773,692	139,426,195	41,222,162	11,386	293,327,013
	dolls.	3,776,486	2,136,989	2,317,987	810,276	277	5,347,503
Colombia	lbs.	.....	.....	.....	9,913	1,210,991	112,000
	dolls.	.....	.....	.....	136	27,075	2,591
Ecuador	lbs.	.....	.....	.....	508,532	.....	250
	dolls.	.....	.....	.....	10,184	.....	6

[2] Not included in the foreign commerce of the United States after 1900.

QUANTITY AND VALUE OF RAW SUGAR (BEET AND CANE) IMPORTED INTO THE UNITED STATES, BY COUNTRIES AND GEOGRAPHICAL DIVISIONS, DURING THE YEARS ENDING JUNE 30, FROM 1890 TO 1901.

Continued.

COUNTRIES FROM WHICH IMPORTED.		1896	1897	1898	1899	1900	1901
Guiana:							
British	lbs.	146,433,036	175,639,179	139,145,529	138,152,464	149,715,600	183,331,202
	dolls.	3,414,359	3,657,025	3,045,666	3,461,889	3,779,398	4,803,479
Dutch	lbs.	12,299,609	18,043,833	25,636,341	38,124,370	13,265,520	14,063,215
	dolls.	289,243	380,959	585,326	953,047	375,633	382,876
Peru	lbs.	.....	2,863,350	8,544,857	50,080,303	75,155,975	129,478,153
	dolls.	.....	56,969	148,599	921,430	1,444,784	2,701,060
Venezuela	lbs.	.....	600	.....	1,482	.....	.....
	dolls.	.....	12	.....	27	.....	.....
Total South America	lbs.	356,520,944	384,261,413	325,181,424	268,099,226	329,044,072	620,311,833
	dolls.	7,638,842	7,149,411	6,358,535	6,156,989	7,320,755	13,237,515
China	lbs.	789,681	322,284	366,841	369,623	432,768	344,747
	dolls.	17,357	6,822	5,753	6,365	7,626	6,244
East Indies:							
British	lbs.	2,565,692	11,173,078	9,381,265	29,599,233	9,840,433	.....
	dolls.	32,839	174,525	134,838	566,295	203,610	.....
Dutch	lbs.	567,670,780	634,171,629	614,888,301	986,438,330	1,162,202,854	777,986,990
	dolls.	11,388,487	13,090,323	11,112,150	19,817,646	24,170,081	16,965,511
Hongkong	lbs.	47,830	180,007	295,023	74,348	161,898	130,846
	dolls.	843	3,355	7,402	1,291	4,126	2,389
Japan	lbs.	536	.....	190	.....	1,076	.....
	dolls.	13	.....	4	.....	19	.....
All other Asia	lbs.	.....	.....	.....	3,361,397	58	.....
	dolls.	.....	.....	.....	85,226	3	.....
Total Asia	lbs.	571,074,519	645,846,998	624,931,620	1,019,842,931	1,172,639,087	778,462,583
	dolls.	11,439,539	13,275,025	11,260,147	20,476,823	24,385,465	16,974,144

F.—*Consumption of Sugar Per Capita in Europe and in the United States, Years ending July 31, from 1889 to 1900.

[From Licht's Journal of Sugar Manufactures, August, 1899; data for the United States from the Statistical Abstract of the United States, 1900.]

COUNTRIES.	1888-89	1889-90	1890-91	1891-92	1892-93	1893-94
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Austria-Hungary	19.6	16.1	**15.0**	16.0	17.2	16.6
Belgium	21.2	21.3	21.6	21.3	21.1	21.7
Bulgaria	4.0	4.2	4.1	5.2	6.1	7.1
Denmark	38.3	39.0	41.0	43.6	43.5	43.0
France	25.3	28.5	28.7	30.5	27.9	27.8
Germany	11.7	22.9	24.0	23.6	22.9	26.7
Greece	10.6	10.3	10.1	8.6	7.4	7.3
Italy	8.9	8.0	7.9	7.2	8.3	7.1
Netherlands	17.9	25.0	27.7	26.3	23.6	25.6
Portugal and Maderia	12.1	12.5	13.8	12.4	12.5	13.1
Roumania	4.9	5.1	3.9	3.9	4.5	4.1
Russia	10.2	9.9	10.0	10.3	11.0	11.1
Servia	4.7	8.7	8.8	3.8	4.2	4.3
Spain	8.8	9.2	9.3	11.1	12.4	12.5
Sweden and Norway	21.1	21.9	22.5	24.1	23.7	24.8
Switzerland	30.0	32.4	32.9	31.3	31.6	42.3
Turkey	6.0	6.4	8.1	9.3	7.6	7.2
United Kingdom	73.2	77.8	78.7	80.7	77.4	84.8
Total Europe	19.9	21.9	22.2	22.6	22.0	23.3
United States[1]	51.8	52.8	66.3	63.8	64.4	66.7
Total	24.5	26.4	27.6	28.9	28.0	29.4

COUNTRIES.	1894-95	1895-96	1896-97	1897-98	1898-99	1899-1900
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Austria-Hungary	19.8	19.6	18.2	17.8	18.3	17.6
Belgium	31.3	22.7	23.1	23.1	23.2	23.3
Bulgaria	8.6	5.0	6.6	5.5	6.6	6.7
Denmark	42.3	46.7	47.6	48.8	47.8	54.8
France	30.6	28.4	32.8	30.9	33.0	37.0
Germany	26.8	31.3	26.3	30.2	30.7	33.9
Greece	10.7	5.9	6.0	6.2	6.5	7.2
Italy	5.1	6.0	6.1	6.3	6.2	6.1
Netherlands	11.0	25.6	25.5	34.4	28.9	32.5
Portugal and Maderia	13.7	12.8	13.8	14.2	12.8	14.7
Roumania	6.7	6.7	7.1	7.2	7.8	7.8
Russia	11.0	10.1	11.8	12.6	12.9	14.0
Servia	6.3	4.3	4.8	4.7	5.1	5.3
Spain	4.0	10.9	9.4	8.1	12.3	10.6
Sweden and Norway	45.4	30.1	33.2	40.7	34.7	38.2
Switzerland	29.7	44.2	31.5	52.1	56.8	60.3
Turkey	4.0	7.8	7.2	7.1	7.7	8.0
United Kingdom	79.1	87.5	86.1	91.3	88.4	91.6
Total Europe	24.6	24.3	24.1	25.4	25.7	27.1
United States[1]	63.4	62.5	64.8	61.5	62.6	65.2
Total	30.3	29.6	30.4	30.6	32.0	33.0

* Summary of Commerce and Finance, February, 1902, p. 2762, Bureau of Statistics, Treasury Department.

[1] Calendar year.

INDEX

M. C. in brackets after a name is used to indicate a member of the House of Representatives.

Abbott, Minister, 212
Adams, C. F., 59
Adams (M. C.), 292, 293
Aldrich, Sen., 295
Alexander, Mr., 317
Allen, Mr., 76
Allison, Sen., 295, 296, 300
Andrew (M. C.), 204
Annexation, of Cuba, 359, 400, 418; of Hawaii, 75, 91, 97, 98, 101
Argentina, 260, 292, 313, 314, 331
Arnold (M. C.), 55
Arthur, Pres., 118
Australasia, 260
Austria-Hungary, tariffs of, 1879, 1882, 1887, 18; treaty with, 1892, 214; favorable to our manufacturers, 215; trade with, under McKinley Act, 222, 229, 301

Babcock (M. C.), 419
Beet sugar, reason for, in Europe after 1873, 141; history of, in France, 143-151; history of, in Germany, 151-158; history of, in Austria-Hungary, 158-163; history of, in Russia, 163-168; foreigners aided at expense of home consumer, 168; futile efforts to abolish bounty on, in Europe, 160-171; effect on Europe of McKinley Act, 172, 175; effect of, on reciprocity, 288
Belgium, 301
Bell (M. C.), 289
Blaine, Sec., 66, 90, 100, 124, 178, 184-191, 205, 212, 225, 226, 230, 232, 233, 234, 420
Blanchard (M. C.), 246
Bliss, T. H., 419
Bond, Sir R., 66
Bounty, on sugar, opposed by Pres. Cleveland, 101; effect of, on beet sugar, to consumers, 168; obstacles to abolition of, in Europe, 169; decision to gradually abolish, 1902, 174; to American producers of sugar, 175
Brantley (M. C.), 402
Brazil, treaty with, 1891, 209, 293; trade with, under McKinley Act, 218-219; effect of treaty with, 257, 260; claim of delay in termination of, 265
Breckenridge (M. C.), 37
British West Indies, trade with, under McKinley Act, 219, 221, 226, 260; futile negotiations with, 117; Kasson treaty with, 312, 313, 314, 330, 331
Brookshire (M. C.), 205, 257
Brown, G., 65
Bryan, W. J., 271, 353
Burrows, Sen., 408
Butterworth (M. C.), 67

Canada, reciprocity with, 9, 10, 30-69; navigation of St. Lawrence, 36; fishery question, 37; treaty signed, 38; provisions of treaty of 1854, 30, 38, 40; coal, 41; farm products, 42; exports and imports with, 44, 63-64;

dissatisfaction with, 44-45; report of I. T. Hatch, 45-51; Taylor's report, 51-54; opposition to, by American transportation interests, 53-54; abrogation of, 55-56; effect on, of Civil War, 61; truth about abrogation of treaty with, 64-65; efforts in Canada to renew, 65-67; efforts by Americans, 67-69; difficulty in finding basis for, 67; advantage to consumer, 110; offered by Sec. Sherman, 1890, 196; related to Alaskan boundary question, 420
Carey, F. K., 373
Carlisle (M. C.), 105, 203
Carter, Mr., 76, 89
Chandler, Sen., 298
Churchill, W. L., 373
Clapp, W. W., 189, 233
Clark, C. H., 347
Clay, H., 6
Clayton, Sec., 36
Cleveland, Pres., 94, 95, 101, 106, 114, 117, 118, 125, 126, 127, 128, 129, 131, 177, 230, 234, 235, 265, 270, 272, 353, 434
Coal, in Canadian treaty, 41, 68
Cochran (M. C.), 291, 292
Columbia, reciprocity with, 212
Commission, reciprocity, created by Pres. McKinley, 302; Mr. Kasson appointed, 1897-1901, 303
Convention, reciprocity, 1901, 346-347; repudiated Kasson treaties, 348
Conventional tariff system, 22-23
Corn laws, repeal of, effect on Canada, 31
Costa Rica, treaty with, 210, 266
Countervailing duty on sugar, 173-174, 423
Cuba, reciprocity with, comparison of, and Hawaii, 71; in treaty of 1884, 117; Cuban sugar, 117; trade with, 120; supported by Pres. Roosevelt, 351; under McKinley act, 217, 225, 352; effect of revolution in 1895, 353; destruction of the "Maine," 355; Cuba relinquished by Spain, 1899, 356; American occupation, 356, convention called, 358; relations with United States, 360-361; Platt amendment, 362-366; affected by our beet sugar industry, 367-374; interests affected by introduction of Cuban sugar, 374-377; three grounds for, 378; arguments against, 379; bill for, 380-381; struggle over bill, 381-382; position of administration group, 382-393; arguments of domestic sugar growers, 393-401; rebate-plan, 395, 408; attitude of the Democrats, 401-404; relation to "sugar trust," 404-410; message of Pres. Roosevelt, 410-413; failure of the bill, 413; by treaty instead of bill, 1902, 415; public support of, 416-417; new conditions, 418; pledge of Pres. McKinley, 422; present conditions in Cuba, 423-424
Cullom, Sen., 200
Cutting, W. B., 370

Dalzell (M. C.), 388, 389, 390, 392, 393
De Armond (M. C.), 407
Deering, J., 316
Denmark, 312, 313, 314, 332
Democrats, defeat of, in 1896, 270-272; policy of, on reciprocity, 283
Derby, E. H., 59-61
Dingley Act, causes of, 272; reciprocity clauses in, 274-277; sugar schedules of, 277-279; articles as basis of reciprocity reduced, 280; new form of reciprocity treaties to be again referred to Senate, 281; attitude of Democrats and Republicans on reciprocity, 282-284; original reciprocity clause of, 284-287; debate in the House, 287-295; Allison amendment replacing House provisions, 295-296; re-

lations of, to foreign countries, 300-302; three kinds of reciprocity under, 280-281, 303-305; Dingley Act treaties, 304-307; analysis of trade under Dingley treaties, 307-309
Dole, S. B., 101

Ecuador, 313, 314, 331
Elgin, Lord, 31, 32, 38, 43
Export-price-system, 232-233, 349

Fair trade, 2, 26
Farmer, versus manufacturer, 111, 138, 291, 432; to be influenced by reciprocity in McKinley bill, 185; trade in wheat and flour, 228, 259
Favored nation clause, in European treaties, 6; different attitude toward, by United States and European countries, 12-15; and schedules, 23; in regard to Hawaii, 89; in regard to Spain and Mexico, 119; in regard to Columbia, 213; as interpreted by United States, 237; with Germany, 302
Fish, Sec., 75
Foreign markets, and act of 1883, 108; and agricultural interests, 109; reciprocity in aid of, 129; demand for, 177
Foster, John W., 39, 119, 126, 210
France, reaction towards protection, 18; maximum and minimum system, 18; tariff of 1892, 21; treaty with, 1898, 304, 307-308, 313; Kasson treaty with, 433
Free trade, in England, 5, 16, 18; era of, in Germany, 6, 7; in United States, 6-7; reaction against, 16-18; with Canada, 40, 62
Frelinghuysen, Sec., 116, 119
French, Mr., 317
Frye, Sen., 233

Gallinger, Sen., 260, 261
Galt, A. T., 57
Gear (M. C.), 85, 204
Germany, demand for protection in, after 1873, 16; tariff of 1879, 17; tariff system of, 24, 26; reciprocity with, 110; treaty with, in 1892, 214; favorable to our farmers, 215; trade with, under McKinley Act, 222, 229; group of countries having same tariff policy, 301; treaty with, 1900, 305, 308
Grant, Pres., 118
Great Britain, navigation system in, 3; repeal of corn laws, 6, 16; trade of, increased after 1860, 16; recent agitation for fair trade, 26; treaty of, with France, 1860, 16; treaty of United States with, for West India Islands, 210; see also British West Indies.
Gresham, Sec., 265.
Grinnell (M. C.), 34
Grosvenor (M. C.), 293, 391, 398, 399
Guatemala, treaty with, 210, 222, 266

Hadley, A. T., 1
Hale, Sen., 68, 191, 192
Hall (M. C.), 251
Harris, Mr., 73
Harrison, Pres., 177, 187, 191, 223, 224
Hatch, I. T., 45-51
Havemeyer, Mr., 410
Hawaii, reciprocity with, 70-104; essence of, 71; relations of, with Great Britain, 72, 75; attempt of 1855, 72; attempt of 1867-1870, 73; ownership of sugar lands in, 74, 83-84; annexation, or reciprocity, which?, 75; articles affected by treaty of 1875, 76; treaty question referred to House, 76; commercial argument weak, 77; gains by treaty solely to sugar planters of Hawaii, 78, 85; effect on price of sugar, 79; speculation behind treaty, 80-83; profits of plan-

ters, 85-88; favored nation clause, 89; political and military arguments, 77, 92, 95, 96; arguments for and against renewal of treaty in 1883, 90-94; favored by Pres. Cleveland, 94; renewed in 1887, 94; relation to McKinley Act, 98-100; annexation stimulated by McKinley Act, 101; overthrow of monarchy, 101; annexation of, in 1900, 102; examination of trade with, 103-104; treaty with, little gain to consumer, 110; treaty, compared with others, 214
Hay, Sec., 420
Hayes, J. L., 107
Henderson, Speaker, 380, 419
Henry W. A., 57
Herbert (M. C.), 205
Hill, J. D., 374
Hitt (M. C.), 68, 204
Hoar, Sen., 365
Holland, 18
Honduras, treaty with, 210, 222, 259
Hopkins (M. C.), 287, 288, 293
Howland, W. P., 57
Huskisson, W., 4, 5

International American Conference, discussed, 122, 124, 131; met in 1889, 133; customs union disapproved by, 134-135; obstacles to reciprocity with South America, 136; difficulty arising from tariffs of United States, 137
Italy, tariff of 1883, 1887, 18; followed Germany, 301; Dingley treaty with, 304; Kasson treaty with, 1900, 305

Jefferson, T., 233
Jenks, J. W., 149, 155, 160
Johnson (M. C.), 245
Johnson, Pres., 73
Joint High Commission, 69
Jones, Sen. (Nev.), 261
Jones, Sen. (Ark.), 365
Jones, C. G., 227

Kalakaua, 75
Kasson treaties, show real status of reciprocity, 311-312; treaties enumerated, 312; the French treaty typical, 314; arguments for French, 316-318; arguments against French, 319-320; tables of relative concessions by both countries in French, 321-329; policy of protection threatened, 329; treaty for West Indies, 330, 331; three groups of, 332; protectionist objections to, 335-337; Mr. Kasson's argument for, 337-339; supported by Pres. McKinley, 340; interests opposed to, 341-342; time for negotiation of, extended, 343-344; resignation of Mr. Kasson, 344
Kasson, John A., 9, 33, 91, 302, 303, 336, 337-339, 344, 345
Kelly (M. C.), 80
Kerr (M. C.), 105, 290

Leavitt, H. G., 373
Lee, Judge, 72
Lindsay, Sen., 298
Littlefield (M. C.), 406
Loebenstein, A. B., 84
Lodge, Sen., 420
Lovering (M. C.), 420
Lumber, in Canadian treaty, 42

Mahon (M. C.), 253
Marcy, Sec., 38, 43, 72
Maximum and minimum schedules, described, 20; countries in which, used, 20-21, 300; in connection with favored nation clause, 23-24; in South American treaties, 234; in France, 282, 291, 308.
Méline, M., 21
Meyer (M. C.), 403
Mexico, treaty with, in 1859, 7, 10-11; treaty with, in 1883, never ratified, 118; favored by Pres. Cleveland, 126
McCleary (M. C.), 254, 256
McClellan (M. C.), 402

McCook, Minister, 73
McCulloch, Sec., 59, 73
McKinley Act, and reciprocity, 177-206; reported in House, 178; increased duties, 179; its bearing on sugar, 180, 184; no reciprocity in first draft of, 184; why Sec. Blaine urged reciprocity in, 185-191; reassurance to protectionists as to reciprocity, 190; amendment of Sen. Hale, 192; opposition of West, 193; essence of reciprocity provisions of, 197-198; Democratic opposition, 201; consumer of sugar would not gain, 203; vote on reciprocity clause, 204; debate in House, 204-206; constitutionality of reciprocity clauses, 208; aimed at getting markets for manufactures formerly supplied by Europe, 211; retaliation of, 213; injured consumer, 214; analysis of trade under reciprocity of, 216-223; Pres. Harrison on trade under, 223; conclusions as to reciprocity under, 226
McKinley, Pres., 98, 99, 272, 273, 302, 304, 339, 340, 345, 346, 354, 355, 366, 422
McLane, R. N., 35
Mills bill, 106, 128; relation of, to reciprocity, 128; on sugar, 183
Minimum valuations, 179
Mitchell, Sen., 193
Mondell (M. C.), 397
Monroe doctrine, 365
Morgan, Sen., 365, 366
Morrill, Sen., 55, 96, 97, 179, 201
Morris (M. C.), 395, 396, 405
Morrison (M. C.), 79, 81, 82, 105, 106
Morrison bill, 124
Mott-Smith, Mr., 100

Navigation policy, related to reciprocity, 3-5
Nicaragua, treaty with, 210, 259, 266, 312, 313, 314, 332
Norton (M. C.), 402
Norway, 18

Oliphant, L., 38
Oxnard, H. T., 370, 373, 374

Pakenham, Mr., 33, 34
Patterson (M. C.), 404
Payne, S. (M. C.), 255, 377, 380, 383, 384, 385, 386-387, 388, 390, 419
Peffer, Sen., 250
Pettus, Sen., 365
Pierce, Minister, 75
Platt, O. H., Sen., 409
Porto Rico, trade with under McKinley Act, 220, 223, 226; legislation for, in 1899-1900, 333-335; after American occupation, 357
Portugal, 22, 301, 304, 305, 308
Potter, Consul, 58
Proctor, Sen., 260
Protection, revival of, after 1873, 16-18, 141; issue in 1883, 105; act of 1883, 107; stronger in Europe, 113; issue in 1887-1888, 128; reaction against, 230; and reciprocity, 436-437

Quay, Sen., 249

Randall (M. C.), 105
Rebate plan, for Cuba, 395, 408
Reciprocity, defined, 1-2; early use in connection with navigation system, 3; Huskisson's policy, 4; with Germany, 7; system of, treaties, 1890-1900, 19; for farmer or manufacturer, 109, 111; real difficulty in, 111; and raw materials, 112; conscious policy of, after 1880, 113; with South America, 113-124; opposed by Pres. Cleveland, 125, 127, 132; favored by Pres. Harrison, 178; according to true Republican view, 200; regarded as free trade in spots, 201; as a political issue, 232; how influenced by "trusts," 232;

Democratic position on, 233; Republican allegiance to, 266; favored by Pres. McKinley at Buffalo, 346; situation changed by rise of combinations, 348-350; present and future of, 415-437; distinction between Cuban, and reciprocity in general, 422; from free trade point of view, 426; benefit of, to the consumer, 427-428; gain of, to the producer, 428-431; policy of retaliation, 431; generally proposed to favor the manufacturer, 432; why, should be desired, 433; little to be expected from, 435-437
Retaliation, in reciprocity, 27; first appearance of, in reciprocity discussion, 178; in McKinley Act, 212; against Columbia, 213; against Venezuela, 213; against countries paying bounty on sugar, 248, 279; no, in Wilson bill, 255; against Americans, 262, 345; poor policy, 431
Romero, M., 118, 119
Roosevelt, Pres., 351, 366, 377, 382, 409, 410, 413, 415, 420, 421
Rose, Sir J., 65
Russia, high duties to, 1893, 18; bounty on sugar, 163-168

Salisbury, Lord, 256
Salvador, treaty with, 210, 222
Santo Domingo, treaty with, 117, 126, 210, 222, 223, 226, 266, 312, 313, 314, 332
Seward, Sec., 59, 73
Shaw, Sec., 419
Sherman, Sen., 68, 196
Silver, in relation to revenue, 231; related to Wilson bill, 270; smothered tariff reform, 284; hastened action for Cuba, 354
Simpson (M. C.), 245
Smith, A. J., 57
Smith, W. A. (M. C.), 294, 395, 396, 400
Smith, H. C. (M. C.), 397
Snodgrass (M. C.), 245
South America, reciprocity with, 113; commission for, in 1884, 120-124, 139; objections to, 121; international conference with, 122, 124, 131; different views on, 132; reciprocity with, revived by Mr. Blaine, 186-191; opposition to, 197
Spain, tariff of 1877, 18; treaty with, for Cuba and Porto Rico, 210; treaty with, in 1884, 114; articles affected by, 115; objections to, 117
Spooner, Sen., 198, 199, 200
Spreckels, C., 83
Squire, Sen., 261
Stevens (M. C.), 403
Stevens, Minister, 100
Stewart, Sen., 201, 299
Sugar, industry, overgrown, 19; free, effect of, on Hawaii, 99; effect of free, on treaties with Germany and Austria-Hungary, 215; basis for reciprocity with South America, 139; cane, 140; beet, 141; free sugar in 1890, 142; question in France, 143-151; in Germany, 151-158; in Austria-Hungary, 158-163; in Russia, 163-168; policy of Great Britain, 171-172; policy of McKinley Act, 172, 175; conditions affecting, 1890-1900, 173-176; schedules in Wilson bill, 241; in Dingley Act, 277-279; beet, industry, history of, in United States, 367-374; cost of producing, 370-374, 422
Sugar combination, or "trust," in Germany, 154-157; in Austria-Hungary, 160; "sugar trust," supported in United States Senate, 249
Surplus revenue, in its effect on free sugar in 1890, 183-184
Switzerland, treaty with, 1900, 305-306, 308

Talbert (M. C.), 289
Tariff Commission, 107; proposed by Pres. Roosevelt, 421
Tariff reform, in 1883, 106; rela-

tion of surplus to, 106; reciprocity and, 124; scheme of Pres. Cleveland, 127; verdict of 1887 on, 177; in 1890, 184, 230; Democratic party divided on, 1893, 235; opposed to bounties, 243; in Wilson bill, disappointing, 271; overwhelmed by silver, 284; recognized by Pres. McKinley, 339; the "Iowa idea," 419; in New England, 420; reaction from reciprocity to, 421, 436; preferred often to reciprocity, 434
Taussig, F. W., 427
Tawney (M. C.), 256, 257, 394
Taylor, J. W., 51-54
Teller, Sen., 298, 409
Thornton, Sir E., 65
Tillman, Sen., 365
Tobacco, 117
Todd (M. C.), 288, 289
Treaties, power of President to make, 207, 256; determined by Supreme Court, 208
Trescott, W. S., 118
"Tropical Reciprocity," 211; negative, not positive, 213; retained in Dingley Act, 280
"Trusts," as factor in reciprocity, 348-350, 404-410; sugar, 249
Turner (M. C.), 257

United States, adhered to simple reciprocal form of favored nation clause, 14; treaty with France, 14; effect of Civil War on tariffs, 27; how affected by European tendency to protection, 27; origin of reciprocity in, 28; attitude of recent acts of, to reciprocity, 28-29
Uruguay, 260

Venezuela, treaty with, 213
Vest, Sen., 201, 262, 297

Walker, R. J., 33
Ward (M. C.), 54, 55
Warner (M. C.), 245, 257
Washburn, Sen., 259
Watkin, E. W., 56, 59
Webster, D., 7
Weeks (M. C.), 394
Wells, D. A., 6
West Indies, see British West Indies
White, Sen., 298, 300
Wiley, H. W., 374
Wilson Act, presented, 235; legend as to its abrogation of reciprocity, 235; attacked reciprocity of McKinley Act, 236; amendment repealing reciprocity of McKinley Act, 237-239; effect of sugar duties on reciprocity, 240; history of the sugar schedules, 241-244; debate on sugar in the House, 244-247; opposition to free sugar, 246; new sugar schedule introduced by the Senate, 247; attitude toward the sugar trust in the Senate, 248-251; debate on reciprocity in the House, 253; no retaliation in, 255; debate on reciprocity in the Senate, 258; myth about the McKinley Act, 260; retaliation by Germany, 263; by Austria-Hungary, 265; trade under Wilson Act, 266; political capital against Wilson Act, 267-269; income tax, clause of, unconstitutional, 271
Wilson, Wm. L., 235, 237, 241, 270, 282
Wilson, Sec., 419
Wood, Gen. L., 358, 359, 409, 410
Wool, 121, 123, 138, 139, 176, 178

Zollverein, German, operation of, 6; treaty of 1844, with United States, 7-9, 10

421 WIS.8 MAR'58

HF1721.L37
Reciprocity
3 0629 0118738 7

HF
1721
L37